

Thomas-Jensen  
Affirmation  
(redacted)

Exhibit # 56

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF RHODE ISLAND

STATE OF ILLINOIS,

Plaintiffs,

v.

DONALD TRUMP, *in his Official Capacity  
as President of the United States,*

Defendants.

C.A. No. 25-cv-39-JJM-PAS

DECLARATION OF LAURA ROCHE

I, Laura Roche, hereby depose and state as follows:

1. I am a resident of Illinois and over 18 years of age. If called as a witness herein, I could and would competently testify to the matters set forth below.

2. I am the Chief of Staff at the Illinois Environmental Protection Agency (“IEPA”). I have held this position since June 1, 2019. I make this declaration as a representative of the State of Illinois, in part based on IEPA’s business records and in part based on my personal knowledge and experience. In my official capacity and based on my personal knowledge and other sources of information I have obtained and reviewed in that official capacity, I am familiar with, and if called upon to do so, would be competent to testify to the facts and circumstances set forth herein.

**U.S. EPA Has Awarded IIJA Grants to IEPA**

3. After Congress passed the Infrastructure Investment and Jobs Act (“IIJA”), IEPA applied to the United States Environmental Protection Agency (“U.S. EPA”) for grants to fund a

variety of different programs aimed at protecting the environment and improving human health for Illinois citizens.

4. U.S. EPA then confirmed that IEPA had been approved for these grants. True and accurate copies of the grant award documents, including the terms and conditions applicable to the grant awards, are attached hereto as Exhibit A.

5. U.S. EPA awarded these grants to IEPA for projects including to protect clean drinking water; to ensure that Illinois' rivers, streams, and lakes are suitable for recreational activities and aquatic life; to clean up polluted sites for redevelopment; and to improve infrastructure for post-consumer recycling.

**U.S. EPA Has Awarded IRA Grants to IEPA**

6. After Congress passed the Inflation Reduction Act ("IRA"), IEPA applied to U.S. EPA for grants under the new law.

7. U.S. EPA subsequently confirmed that IEPA had been approved for these grants. True and accurate copies of the grant award documents, including the terms and conditions applicable to the grant awards, are attached hereto as Exhibit B.

8. U.S. EPA awarded these grants to IEPA for projects including to reduce air pollution from the transportation sector, expand the clean energy workforce pipeline, retrofit homes and commercial buildings to decrease energy usage and lower utility bills, and install energy efficient appliances.

**Funding from IRA Grants Remains Frozen**

9. Currently, IEPA remains unable to draw money from grants under the IRA to fund continued operation of its work.

10. On January 28, 2025, my staff accessed the website operated by the United States Department of the Treasury called Automated Standard Application for Payments (“ASAP”), which IEPA uses to draw down funds from federal awards for the projects described above. On January 28, ASAP listed over \$1 billion of funds set aside for IEPA. True and accurate copies of ASAP records that my staff accessed are attached hereto as Exhibit C.

11. On January 29, 2025, my staff again accessed ASAP, which then listed a balance of \$52 million set aside for IEPA. Many accounts that had appeared in ASAP on January 28 were entirely deleted and unable to be accessed. True and accurate copies of ASAP records that my staff accessed on January 29 are attached hereto as Exhibit D.

12. Grants awarded to IEPA by U.S. EPA under the IIJA are currently accessible in ASAP and IEPA’s ability to draw down funds from these accounts was restored as of February 5, 2025.

13. All accounts associated with grants to IEPA by U.S. EPA under the IRA remain deleted from ASAP and are not visible to my staff. For example, my staff still cannot view any information about IRA-approved funding under U.S. EPA’s Climate Pollution Reduction Grants. These U.S. EPA-approved grants have been deleted from the ASAP system and remain completely inaccessible by my staff, even just to view. True and accurate copies of ASAP records that my staff accessed on February 5, 2025 are attached hereto as Exhibit E.

14. Without supplemental State financial support, cancellation or delayed payment of funds obligated pursuant to the IIJA and IRA will have the consequence of endangering human health and the environment in Illinois. Without these additional funds, IEPA could become unable to fulfill important federal and state mandates such as ensuring safe drinking water for all Illinois citizens, reducing air pollution, and remediating contaminated sites.



**U.S. EPA Staff Have Instructed IEPA Not to Draw Down Funding Essential to Treat a Polluted Groundwater Aquifer**

15. IEPA oversees a corrective action contractor that conducts groundwater treatment in the area of Rockford, Illinois, in an area polluted by volatile organic compounds (“VOCs”). The contamination is near several homes and a public park, presenting a significant risk to human health and the environment if left untreated. IEPA and U.S. EPA have worked collaboratively to address groundwater contamination at this site for over twenty years.


16. Since 2020, U.S. EPA has approved funding for IEPA to use to pay for the operation of the groundwater treatment system, more recently approving IIJA funding for the treatment. True and accurate copies of funding agreements, including the terms and conditions applicable to the funding, are attached hereto as Exhibit F. IEPA currently has unpaid costs allowable under its funding. No other available funding sources are presently adequate to continue this work.

17. On January 30, 2025, U.S. EPA Region 5 staff notified IEPA staff by email that IEPA should not draw down its funding supporting the groundwater treatment system, because it was funded by IIJA. A true and accurate copy of this email is attached hereto as Exhibit G.

18. On February 4, 2025, IEPA staff called U.S. EPA Region 5 staff to ask whether IIJA funding for groundwater treatment in Rockford would be available in light of this court’s Temporary Restraining Order. U.S. EPA Region 5 staff stated that the matter had been conveyed to U.S. EPA’s Office of Land and Emergency Management in Washington D.C.

19. Currently, IEPA has not received any written confirmation from U.S. EPA that funding for the groundwater treatment system can be drawn down.


**SIGNED UNDER THE PENALTIES OF PERJURY THIS 6th DAY OF FEBRUARY, 2025.**



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Laura Roche  
Chief of Staff of the  
Illinois Environmental Protection Agency

# EXHIBIT A

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b> <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 01E03241	DATE OF AWARD 09/15/2023	
			MODIFICATION NUMBER: 0		
			PROGRAM CODE: 4C		
			TYPE OF ACTION New		MAILING DATE 09/20/2023
PAYMENT METHOD: ASAP		ACH# 50183			
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: nidhan.singh@illinois.gov Phone: 217-524-4337		Andrew Bielanski 77 West Jackson Blvd. , WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 312-886-0208		Michael Tukes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: tukes.michael@epa.gov Phone: 312-886-5368	
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2023 IL CWSRF BIL General Supplemental Grant  The purpose of this agreement is for a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), which provides funds for the recipient's Clean Water State Revolving Fund (CWSRF) program. The activities are to provide low interest financing to numerous subrecipients for costs associated with the planning, design, and construction of eligible water quality improvement and protection projects. The benefits of this grant will be to capitalize the recipient's CWSRF. The expected outcomes are to establish and manage an effective comprehensive CWSRF program and to maintain a self-sustaining revolving fund to improve and protect water quality and public health for citizens throughout the state. The Clean Water SRF program is exempt from 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, IEPA will fund \$90,499,200 in loans in their Intended Use Plan while \$3,770,800 will be used to administer the program.					
BUDGET PERIOD 07/01/2023 - 06/30/2027		PROJECT PERIOD 07/01/2023 - 06/30/2027		TOTAL BUDGET PERIOD COST \$103,697,000.00	
				TOTAL PROJECT PERIOD COST \$103,697,000.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 07/12/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$94,270,000.00. EPA agrees to cost-share 90.91% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$94,270,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
U.S. EPA, Region 5 , U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Water Division R5 - Region 5 77 W Jackson Blvd, W-15J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch					DATE 09/15/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$94,270,000	\$94,270,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$9,427,000	\$9,427,000
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$103,697,000	\$103,697,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.458 - Capitalization Grants for Clean Water State Revolving Funds	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA)(PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

[illegible]

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$103,697,000
9. Total Direct Charges	\$103,697,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$103,697,000
12. Total Approved Assistance Amount	\$94,270,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$94,270,000
15. Total EPA Amount Awarded To Date	\$94,270,000

## **Administrative Conditions**

### **NATIONAL ADMINISTRATIVE TERMS AND CONDITIONS**

#### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:  
<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): Michael Tukes – DBE Coordinator at  
[tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov).

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Michael Tukes at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov).

Payment requests (if applicable): Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)

Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)

#### **B. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **7/1/2023** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2023 BIL/IIJA CWSRF General Supplemental Programmatic Terms and Conditions**

#### **A. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method.

#### **B. State Match**

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 10 percent of the amount awarded in the capitalization grant.

#### **C. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

#### **D. Amended Cash Draw Proportionality**

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### **E. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Clean Water SRF (CWSRF) program. The recipient agrees to use CWSRF funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

#### **F. SRF Data System and Environmental Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Title VI of the Clean Water Act (CWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

#### **G. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3165 the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental results; 4) compliance with the Green Project Reserve requirement; and 5) use of additional subsidization.

#### **H. Program Income from Administrative Fees**

Program income earned during the grant period may be used for the specific purposes identified in 2 CFR 200.307 and 2 CFR 1500-7. The recipient agrees to comply with EPA's "Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance" issued October 20, 2005, as amended by subsequent guidance.



Specifically, the State has agreed: 1) to maintain records which account for fees separate from the CWSRF project fund, 2) to identify in the IUP all types of fees charged on loans, including the fee rate, and the amount of fees available, and 3) to include in the annual report the types of fees charged on loans, the amount of fees collected, and how those amounts were used.

## **I. SIGNAGE**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden’s Bipartisan Infrastructure Law” or “project funded by President Biden’s Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

### **2. Public or Media Events**

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days’ notice.

## **J. Green Project Reserve**

The recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories. The State’s annual open solicitation for projects will be deemed sufficient for these purposes as long as that solicitation was open to all GPR eligible projects in each of the four GPR categories. The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount equal to at least 10 percent of its capitalization grant. The state must document the GPR solicitation process in its IUP and Annual Report and explain, if applicable, why GPR projects totaling at least 10 percent of the capitalization grant were not able to be funded. Any State not meeting the 10 percent requirement must outline in the Annual Report how they will expand their GPR solicitation for the following year.

## **K. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients or project types as described in section 603(i) of the CWA in the form of forgiveness of principal or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an

eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

#### **L. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

#### **M. American Iron and Steel (AIS)**

(a) *Definitions.* As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Title VI of the CWA by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Title VI of the CWA.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

#### **N. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **O. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial

account information both initially and prior to any changes in financial account information.

#### **P. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by Title VI of the Federal Water Pollution Control Act, also known as the CWA, (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

#### **Preamble**

With respect to the CWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Title VI of the Clean Water Act (CWA) For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under Title VI of the CWA - with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a state recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>.

#### **1. Applicability of the DB prevailing wage requirements.**

Under Title VI of the CWA, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or Title VI of the CWA, the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov), and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any



apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired.

Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at

<http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

- (1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;



(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship

program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of

the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

**4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee,

social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Title VI of the CWA - For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under Title VI of the CWA with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a state recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at

[EPA Grants Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

## **1. Applicability of the DB prevailing wage requirements.**

Under Title VI of the CWA, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to IEPA for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from sam.gov into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after

the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or Title VI of the CWA, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage



determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DOL prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract,

the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired.

Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at

<http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during



the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for

the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.


(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(c) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that

the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 02E03241	DATE OF AWARD
		MODIFICATION NUMBER: 0	09/19/2024
		PROGRAM CODE: 4C	MAILING DATE
		TYPE OF ACTION New	09/24/2024
RECIPIENT TYPE: State		PAYMENT METHOD: ASAP	
RECIPIENT:		ACH# 50183	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		PAYEE:	
PROJECT MANAGER		EPA PROJECT OFFICER	EPA GRANT SPECIALIST
JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Jacob.Poeschel@illinois.gov Phone: 217-524-1340		Isaiah Sattlefield 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Sattlefield.Isaiah@epa.gov Phone: 312-886-2910	Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128
PROJECT TITLE AND DESCRIPTION			
FY24 IL CWSRF BIL General Supplemental			
<p>This agreement funds a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), for the recipient's Clean Water State Revolving Fund program. The recipient of these funds provide low interest financing to numerous subrecipients. The anticipated deliverables include financing, planning, design, and construction of eligible water quality improvement and protection projects. The expected outcomes are to improve and protect water quality and public health. The intended beneficiaries include citizens throughout the State. The Clean Water SRF program is exempt from 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, IEPA will fund \$102,852,000 in loans in their Intended Use Plan.</p>			
BUDGET PERIOD 07/01/2024 - 06/30/2028	PROJECT PERIOD 07/01/2024 - 06/30/2028	TOTAL BUDGET PERIOD COST \$ 123,422,400.00	TOTAL PROJECT PERIOD COST \$ 123,422,400.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 06/24/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 102,852,000.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 102,852,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Water Division R5 - Region 5 77 W Jackson Blvd., W-15J Chicago, IL 60604-3507	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official for Sheila Dolan by Karen Sykes - Award Official Delegate			DATE 09/19/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 102,852,000	\$ 102,852,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 20,570,400	\$ 20,570,400
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 123,422,400	\$ 123,422,400

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.458 - Clean Water State Revolving Fund	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405PWX025	24	E2SD	05P1	000B80X70	4111	24CA	-	\$ 102,852,000
									\$ 102,852,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 123,422,400
9. Total Direct Charges	\$ 123,422,400
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %)	\$ 123,422,400
12. Total Approved Assistance Amount	\$ 102,852,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 102,852,000
15. Total EPA Amount Awarded To Date	\$ 102,852,000



## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- Payment requests (if applicable): **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)**

### B. Pre-award Costs

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **7/1/24** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.



## Programmatic Conditions

### FFY 2024 BIL/IJA CWSRF General Supplemental Programmatic Terms and Conditions

#### A. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method.

#### B. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

#### C. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IJA) SFY 2024 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

#### D. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### E. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Clean Water SRF (CWSRF) program. The recipient agrees to use CWSRF funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

#### F. SRF Data System and Environmental Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Title VI of the Clean Water Act (CWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 118-42) (the Consolidated Appropriations Act, 2024), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

#### G. Annual Reporting

In accordance with 2 CFR 200.329 and 40 CFR 35.3165 the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental results; 4) compliance with the Green Project Reserve requirement; and 5) use of additional subsidization.

## **H. Program Income from Administrative Fees**

Program income earned during the grant period may be used for the specific purposes identified in 2 CFR 200.307 and 2 CFR 1500.8. The recipient agrees to comply with EPA's "Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance" issued October 20, 2005, as amended by subsequent guidance. Specifically, the State has agreed: 1) to maintain records which account for fees separate from the CWSRF project fund, 2) to identify in the IUP all types of fees charged on loans, including the fee rate, and the amount of fees available, and 3) to include in the annual report the types of fees charged on loans, the amount of fees collected, and how those amounts were used.

## **I. Signage Required**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

### **2. Public or Media Events**

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## **J. Green Project Reserve**

The recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories. The State's annual open solicitation for projects will be deemed sufficient for these purposes as long as that solicitation was open to all GPR eligible projects in each of the four GPR categories. The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount equal to at least 10 percent of its capitalization grant. The state must document the GPR solicitation process in its IUP and Annual Report and explain, if applicable, why GPR projects totaling at least 10 percent of the capitalization grant were not able to be funded. Any State not meeting the 10 percent requirement must outline in the Annual Report how they will expand their GPR solicitation for the following year.

#### **K. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients or project types as described in section 603(i) of the CWA in the form of forgiveness of principal or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

#### **L. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

#### **M. American Iron and Steel (AIS)**

(a) *Definitions.* As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Title VI of the CWA by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably

available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph

(b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Title VI of the CWA.

*(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.*

## **N. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **O. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

## **P. Davis-Bacon Labor Standards**

### **1. Program Applicability**

- a. Program Name: Clean Water State Revolving Fund
- b. Statute requiring compliance with Davis-Bacon: Section 602(b)(6) of the Clean Water Act
- c. Activities subject to Davis-Bacon: Treatment works constructed in whole or in part with assistance made available by a state water pollution control revolving fund authorized under Title VI of the Clean Water Act.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

### **2. Davis-Bacon and Related Acts**

[Davis-Bacon and Related Acts \(DBRA\)](#) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more

Copeland "Anti-Kickback" Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and

Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

### **3. Recipient Responsibilities When Entering Into and Managing Contracts:**

#### **a. Solicitation and Contract Requirements:**

i. **Include the Correct Wage Determinations in Bid Solicitations and Contracts:** Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

ii. **Include DBRA Requirements in All Contracts:** Include the following text on all contracts under this grant:

**"By accepting this contract, the contractor acknowledges and agrees to the terms provided in the [DBRA Requirements for Contractors and Subcontractors Under EPA Grants](#)."**

#### **b. After Award of Contract:**

i. **Approve and Submit Requests for Additional Wages Rates:** Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

ii. **Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions:** Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

### **4. Recipient Responsibilities When Establishing and Managing Additional Subawards:**

#### **a. Include DBRA Requirements in All Subawards (including Loans):**

Include the following text on all subawards under this grant:


**"By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients](#)."**

**b. Provide Oversight to Ensure Compliance with DBRA Provisions:** Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

**5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this**

paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00E03247		DATE OF AWARD 09/20/2022		
			MODIFICATION NUMBER: 0				
			PROGRAM CODE: 4D		TYPE OF ACTION New		MAILING DATE 09/23/2022
			PAYMENT METHOD: ASAP				ACH# 50183
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov				
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276				
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST			
Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62702-4059 Email: nidhan.singh@illinois.gov Phone: 217-524-4337		Andrew Bielanski 77 West Jackson Blvd, WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 312-886-0208		Dianne Reyes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Reyes.Dianne@epa.gov Phone: 312-886-8097			
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2022 Illinois EPA Drinking Water SRF -- BIL Supplemental Grant See Attachment 1 for project description.							
BUDGET PERIOD 07/01/2022 - 06/30/2026		PROJECT PERIOD 07/01/2022 - 06/30/2026		TOTAL BUDGET PERIOD COST \$74,673,500.00			
				TOTAL PROJECT PERIOD COST \$74,673,500.00			
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 07/14/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$67,885,000.00. EPA agrees to cost-share <u>90.91%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$67,885,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>							
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE				
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS				
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507				
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>							
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch					DATE 09/20/2022		



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$67,885,000	\$67,885,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$6,788,500	\$6,788,500
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$74,673,500	\$74,673,500

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$74,673,500
9. Total Direct Charges	\$74,673,500
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$74,673,500
12. Total Approved Assistance Amount	\$67,885,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$67,885,000
15. Total EPA Amount Awarded To Date	\$67,885,000

**Attachment 1 - Project Description**

Section 1452 of the Safe Drinking Water Act (SDWA) authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds, authorized by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF) to provide low interest financing for costs associated with the planning, design and construction of eligible drinking water improvement projects and activities to protect human health. As part of this agreement, the recipient ensures compliance with federal and state regulations, which are designed to protect public health. The bulk of the SRF will be used for loans and other authorized assistance to public water systems for eligible projects, including improving drinking water treatment, fixing leaky or old pipes (water distribution), improving source of water supply, replacing or constructing finished water storage tanks, and other infrastructure projects needed to protect public health. The recipient may also use some of the funding for specific "set-asides"; to provide technical assistance to small systems, program administration, state program management and other allowable uses. The benefits of this grant will be to capitalize the recipient's DWSRF. The Fund can then be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide. DWSRF loans made under this grant will fund a variety of eligible drinking water projects.

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>. These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award. The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and DBE Coordinator, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Grants Specialist, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- Payment requests (if applicable): Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Grants Specialist, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)

### **B. Pre-Award Costs**

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **07/01/2022** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2022 BIL/IIJA DWSRF General Supplemental Programmatic Terms and Conditions**

### **A. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
FFY2023/Quarter 1	10/1/2022	\$67,885,000

**B. State Match**

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 10 percent of the amount awarded in the capitalization grant.

**C. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2022 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

**D. Set-Aside Work Plan**

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement.

**E. Set-Aside Sub-Grants and Contracts**

The recipient shall provide or make available to the Region 5 Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

**F. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

**G. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-103 (the Consolidated Appropriations Act, 2022), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

**H. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Annual

Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

#### **I. Set-Aside Reporting**

The recipient agrees to provide to the Region 5 Project Officer an annual report on the set-aside activities funded under this grant. These reports shall be provided on September 30th of each year the grant is in effect.

#### **J. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

#### **K. Signage**

The recipient agrees to comply with the SRF Signage Guidelines in order to enhance public awareness of EPA assistance agreements nationwide. (See ["Guidelines for Enhancing Public Awareness of SRF Assistance Agreements."](#) June 3, 2015.)

#### **L. Full Lead Service Line Replacement**

The recipient agrees to ensure that any project funded in whole or in part under this capitalization grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

#### **M. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

#### **N. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

#### **O. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

**P. American Iron and Steel (AIS)**

a. **Definitions.** As used in this award term and condition—

(1) “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

**(b) Domestic preference.**

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) Request for a Waiver under (b)(2) of this section**

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;



(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

#### **Q. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **R. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with “zero-trust” (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

### **S. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled “Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e).” This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

### **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients’ compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients’ compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

**ATTACHMENT 1****I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361 for guidance. The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

**1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

**2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination

contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under

section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from the U.S. Department of Labor's website, <https://sam.gov/>.

(ii) (A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award

official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the



suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for



purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the

journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or

subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot

checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361, EPA Office of Grants and Debarment for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

### **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

### **2. Obtaining Wage Determinations.**



(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to the State recipient for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the



contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov), and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day

on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written

evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full

wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage

determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity



requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.



(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.


(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or

transcription by authorized representatives of the EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c). The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d). The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 01E03247		DATE OF AWARD 09/26/2023		
			MODIFICATION NUMBER: 0				
			PROGRAM CODE: 4D		TYPE OF ACTION New		MAILING DATE 09/29/2023
			PAYMENT METHOD: ASAP		ACH# 50183		
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov				
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276				
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST			
Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: nidhan.singh@illinois.gov Phone: 217-524-4337		Andrew Bielanski 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 202-564-2788		Michael Tukes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: tukes.michael@epa.gov Phone: 202-564-2788			
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2023 IL DWSRF BIL General Supplemental Grant  See Attachment 1 for project description.							
BUDGET PERIOD 07/01/2023 - 06/30/2027		PROJECT PERIOD 07/01/2023 - 06/30/2027		TOTAL BUDGET PERIOD COST \$70,284,500.00			
				TOTAL PROJECT PERIOD COST \$70,284,500.00			
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 07/12/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$63,895,000.00. EPA agrees to cost-share <u>90.91%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$63,895,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>							
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE				
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS				
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd. W-15J Chicago, IL 60604-3507				
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>							
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch					DATE 09/26/2023		

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$63,895,000	\$63,895,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$6,389,500	\$6,389,500
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$70,284,500	\$70,284,500

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$70,284,500
9. Total Direct Charges	\$70,284,500
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$70,284,500
12. Total Approved Assistance Amount	\$63,895,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$63,895,000
15. Total EPA Amount Awarded To Date	\$63,895,000

**Attachment 1 - Project Description**

This agreement provides funding to Illinois EPA. Section 1452 of the Safe Drinking Water Act (SDWA) and Infrastructure Investment and Jobs Act (IIJA) PL 117-58 authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF). As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health.

The bulk of the State Revolving Fund (SRF) will be used for loans and other authorized assistance to public water systems for eligible projects, including improving drinking water treatment, water distribution, improving source of water supply, replacing or constructing finished water storage tanks, and other infrastructure projects needed to protect public health. The recipient may also use some of the funding for specific "set-asides"; to provide technical assistance to small systems, program administration, state program management and other allowable uses. The benefits of this grant will be to capitalize the recipient's DWSRF. The fund can then be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide. The Drinking Water SRF program is exempt from 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, IEPA will fund \$61,339,200 in loans in their Intended Use Plan, with the remaining \$2,555,800 used for program administration.

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): Michael Tukes – DBE Coordinator at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov).

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Michael Tukes at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov).

Payment requests (if applicable): Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)  
Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)

### **B. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **7/1/2023** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2023 BIL/IIJA DWSRF General Supplemental Programmatic Terms and Conditions**

#### **A. Payment Schedule**



The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method.

#### **B. State Match**

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at 10 percent of the amount awarded in the capitalization grant.

#### **C. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

#### **D. Amended Cash Draw Proportionality**

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### **E. Set-Aside Work Plan**

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement.

#### **F. Set-Aside Sub-Grants and Contracts**

The recipient shall provide or make available to the EPA copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

#### **G. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

#### **H. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the

funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

## **I. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

## **J. Set-Aside Reporting**

The recipient agrees to provide to the EPA an annual report on the set-aside activities funded under this grant. These reports shall be provided 90 days after the state fiscal year of each year the grant is in effect.

## **K. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

## **L. SIGNAGE**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden’s Bipartisan Infrastructure Law” or “project funded by President Biden’s Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at:  
<https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR

200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

## **2. Public or Media Events**

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

### **M. Full Lead Service Line Replacement**

The recipient agrees to ensure that any project funded in whole or in part under this capitalization grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

### **N. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

### **O. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

### **P. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

### **Q. American Iron and Steel (AIS)**

**(a) Definitions. As used in this award term and condition—**

(1) “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

**(b) *Domestic preference.***

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) *Request for a Waiver under (b)(2) of this section***

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

## **R. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **S. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal

verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

## **T. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

## **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance



with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

## **1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage



determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the

time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and

records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates

and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with



the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses

in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract



for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

**II. Requirements Under the Safe Drinking Water Act, Section 1452(a)(5) For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB**

**wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

**1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

**2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to IEPA for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on

the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator



concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the

contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either



directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice

must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA

determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of

the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be

conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.


(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 02E03247 MODIFICATION NUMBER: 0 PROGRAM CODE: 4D		DATE OF AWARD 09/09/2024	
		TYPE OF ACTION New		MAILING DATE 09/12/2024	
		PAYMENT METHOD: ASAP		ACH# 50183	
		RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov
RECIPIENT:  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		PAYEE:  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276			
PROJECT MANAGER JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: jacob.poeschel@illinois.gov Phone: 217-524-1340		EPA PROJECT OFFICER Isaiah Sattlefield 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Sattlefield.Isaiah@epa.gov Phone: 312-886-2910		EPA GRANT SPECIALIST Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Houston-Williams.Kimberly@epa.gov Phone: 312-353-7928	
PROJECT TITLE AND DESCRIPTION  FY24 IL DWSRF BIL General Supplemental  This agreement provides a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), for the recipient's Drinking Water State Revolving Fund (DWSRF) program. The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA). The recipient of these funds will provide low interest rate financing to eligible public water systems for the costs associated with the planning, design, and construction of eligible drinking water improvement projects. The recipient may also use some of the funding for specific set-asides, including but not limited to providing technical assistance to small systems, for operator certification activities, and source water protection activities. The anticipated deliverables include financing, planning, design, and construction of eligible public health-related projects. Deliverables will also be used to increase the technical, managerial, and financial capacity of public water systems. The expected outcome is public health protection. The intended beneficiaries include citizens throughout the State. The Drinking Water SRF program is exempt from 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, IEPA will fund \$66,962,880 in loans in their Intended Use Plan.					
BUDGET PERIOD 07/01/2024 - 06/30/2028		PROJECT PERIOD 07/01/2024 - 06/30/2028		TOTAL BUDGET PERIOD COST \$ 83,703,600.00	
				TOTAL PROJECT PERIOD COST \$ 83,703,600.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 06/24/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 69,753,000.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 69,753,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			ORGANIZATION / ADDRESS U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd., W-15J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official for Dolan, Shelia - Branch Supervisor by Karen Sykes - Award Official Delegate					DATE 09/09/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 69,753,000	\$ 69,753,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 13,950,600	\$ 13,950,600
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 83,703,600	\$ 83,703,600

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Drinking Water State Revolving Fund	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405PWX026	24	E3SD	05P1	000B81X70	4109	24DA	-	\$ 66,962,880
-	2405PWX026	24	E3SD	05P1	000B81X70	4109	24DD	-	\$ 2,790,120
									\$ 69,753,000



## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 83,703,600
9. Total Direct Charges	\$ 83,703,600
10. Indirect Costs: 0.00 % Base N/A	\$ 0
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %)	\$ 83,703,600
12. Total Approved Assistance Amount	\$ 69,753,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 69,753,000
15. Total EPA Amount Awarded To Date	\$ 69,753,000

## Administrative Conditions

### General Terms and Conditions

#### Use for All New Awards

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and ***Kimberly Houston houston-williams.kimberly@epa.gov***
- MBE/WBE reports (EPA Form 5700-52A): ***region5closeouts@epa.gov and sykes.karen@epa.gov***
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: ***sattlefield.isaiah@epa.gov and houston-williams.kimberly@epa.gov***
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: ***Isaiah Sattlefield sattlefield.isaiah@epa.gov***

#### B. Pre-award Costs

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from 7/1/24 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## Programmatic Conditions

### FFY 2024 BIL/IIJA DWSRF General Supplemental Programmatic Terms and Conditions

#### A. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method.

#### B. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

#### C. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2024 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

#### D. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### E. Set-Asides

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the Region 5 Drinking Water Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to provide to the Region 5 Drinking Water Project Officer an annual report on the set-aside activities funded under this grant. In its annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant. These annual set aside reports shall be provided with the SRF Annual Report each year the grant is in effect.

#### F. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

#### G. SRF Data System and Public Health Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 118-42 (the Consolidated Appropriations Act, 2024), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

## **H. Annual Reporting**

In accordance with 2 CFR 200.329 and 40 CFR 35.3570, the recipient agrees to provide in its Annual information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

## **I. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

## **J. Signage Required**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Bipartisan Infrastructure Law” or “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA

logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

## 2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## K. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

### *(a) Stand-alone Lead Service Line Replacement*

(1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

(2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.

### *(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects*

(1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

### *(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement*

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and

confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

#### **L. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

#### **M. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

#### **N. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

#### **O. American Iron and Steel (AIS)**

**(a) *Definitions.*** As used in this award term and condition—

(1) “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

**(b) *Domestic preference.***

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

- (i) applying the requirement would be inconsistent with the public interest;
- (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) Request for a Waiver under (b)(2) of this section**

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B) Unit of measure;
- (C) Quantity;
- (D) Cost;
- (E) Time of delivery or availability;
- (F) Location of the project;
- (G) Name and address of the proposed supplier; and
- (H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

**P. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.



**(b) (1)** EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

**(2)** The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **Q. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

## **R. Davis-Bacon Labor Standards**

### **1. Program Applicability**

- a. Program Name: Drinking Water State Revolving Fund
- b. Statute requiring compliance with Davis-Bacon: Section 1452(a)(5) of the Safe Drinking Water Act
- c. Activities subject to Davis-Bacon: Any project for construction, alteration, or repair carried out in whole or part with assistance made available by the drinking water state revolving loan fund under Section 1452 of the Safe Drinking Water Act. This applies to all projects whether equivalency or not.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

### **2. Davis-Bacon and Related Acts**

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more

Copeland "Anti-Kickback" Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and

Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

### 3. Recipient Responsibilities When Entering Into and Managing Contracts:

#### a. Solicitation and Contract Requirements:

i. **Include the Correct Wage Determinations in Bid Solicitations and Contracts:** Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

ii. **Include DBRA Requirements in All Contracts:** Include the following text on all contracts under this grant:

**"By accepting this contract, the contractor acknowledges and agrees to the terms provided in the [DBRA Requirements for Contractors and Subcontractors Under EPA Grants](#)."**

#### b. After Award of Contract:

i. **Approve and Submit Requests for Additional Wages Rates:** Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

ii. **Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions:** Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

### 4. Recipient Responsibilities When Establishing and Managing Additional Subawards:

#### a. Include DBRA Requirements in All Subawards (including Loans):


Include the following text on all subawards under this grant:

**"By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients](#)."**

b. **Provide Oversight to Ensure Compliance with DBRA Provisions:** Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations,

will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00E03526		DATE OF AWARD 09/21/2023		
			MODIFICATION NUMBER: 0				
			PROGRAM CODE: 4E		TYPE OF ACTION New		MAILING DATE 09/26/2023
			PAYMENT METHOD: ASAP		ACH# 50183		
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov				
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276				
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST			
Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: nidhan.singh@illinois.gov Phone: 217-524-4337		Andrew Bielanski 77 West Jackson Blvd. , WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 312-886-0208		Michael Tukes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: tukes.michael@epa.gov Phone: 312-886-5368			
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2022 IL DWSRF BIL EC Grant plus Transfer from CWSRF See Attachment 1 for project description.							
BUDGET PERIOD 07/01/2023 - 06/30/2027		PROJECT PERIOD 07/01/2023 - 06/30/2027		TOTAL BUDGET PERIOD COST \$32,734,000.00			
				TOTAL PROJECT PERIOD COST \$32,734,000.00			
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 07/12/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$32,734,000.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$32,734,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>							
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE				
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS				
U.S. EPA, Region 5 , U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd. W-15J Chicago, IL 60604-3507				
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY							
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch					DATE 09/21/2023		

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$32,734,000	\$32,734,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$32,734,000	\$32,734,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$32,734,000
9. Total Direct Charges	\$32,734,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$32,734,000
12. Total Approved Assistance Amount	\$32,734,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$32,734,000
15. Total EPA Amount Awarded To Date	\$32,734,000

**Attachment 1 - Project Description**

The primary purpose/objective of this program is to capitalization Illinois's DWSRF program for funding Emerging Contaminants (EC) projects consistent with the Infrastructure Investment and Jobs Act DW Emerging Contaminants appropriation. In addition, the Illinois Environmental Protection Agency has provided a request and all the necessary documentation to transfer the full CWSRF EC grant to DWSRF EC. The CWSRF EC funds of \$4,229,000 are awarded as EPA In-kind in (4X-00E03525-0) and will be awarded to Illinois in this, the DWSRF Emerging Contaminants grant. The Illinois Environmental Protection Agency will provide the funds in Illinois entirely as additional subsidy, consistent with the law, to protect water quality and public health in Illinois and to vitalize the economy through the creation of jobs. This process satisfies the statutory requirement that the CWSRF award be made prior to the funds transfer. Section 1452 of the Safe Drinking Water Act (SDWA) authorizes the state to utilize funds to further the health protection objectives of SDWA. The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant . This IUP contains a list of the capital projects that address emerging contaminants that may receive funding from this grant. The recipient may also use some of the funding for specific "set-asides" to provide technical assistance to small systems, program administration, state program management and other allowable uses. The benefits of this grant will be to capitalize the recipient's DWSRF with primary purpose to address emerging contaminants in drinking water with a focus on projects addressing PFAS. The Fund can then be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide.

The Drinking Water State Revolving Fund Program is exempt from 2 CFR 200.332 subrecipient management requirements for subawards as provided in 2CFR 1500. Program provides assistance in the form of loans. The Illinois Environmental Protection Agency will fund \$32,734,000 toward loans in their Intended Use Plan (Site Project Code DA).



## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): Michael Tukes – DBE Coordinator at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov).

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications:

Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov) and Michael Tukes at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov).

Payment requests (if applicable): Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov)  
Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov).

### **B. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **7/1/23** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2022 BIL/IIJA DWSRF Emerging Contaminant Programmatic Terms and Conditions**

#### **A. Explanation of Transfer**

This action approves the full FFY 2022 CWSRF BIL Emerging Contaminants (EC) allotment inter-SRF transfer of \$4,229,000 to the FFY 2022 DWSRF BIL EC capitalization grant award as authorized under Section 302 of the Safe Drinking Water Act Amendments of 1996, 42 U.S.C. 300j-12, and subsequent Pub. L. 109-54, Title II, August 2, 2005, 119 Stat. 530. The FFY 2022/SFY 2024 Illinois DWSRF IUP and PPL which contains the EC identified projects eligible to receive these funds is attached in Section M.

## **B. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method.

## **C. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) Emerging Contaminant SFY 2022 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. For a project or activity to be eligible for funding under this appropriation, it must be otherwise Drinking Water State Revolving Fund (DWSRF)-eligible, and the primary purpose must be to address emerging contaminants in drinking water.

## **D. Set-Aside Work Plan**

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement. Set-asides under this appropriation must be used to either administer this capitalization grant or meet the statutory purpose of these funds: "to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances."

## **E. Amended Cash Draw Proportionality**

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated [November 30, 2022].

## **F. Set-Aside Sub-Grants and Contracts**

The recipient shall provide or make available to the Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

## **G. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing

the DWSRF program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

#### **H. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the SRF from the BIL, also known as the IJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-103 (the Consolidated Appropriations Act, 2022), and P.L. 117-58, respectively.

EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

#### **I. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the Intended Use Plan; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

#### **J. Set-Aside Reporting**

The recipient agrees to provide to the Project Officer an annual report on the set-aside activities funded under this grant. These reports shall be provided on September 30th of each year the grant is in effect.

#### **K. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

#### **L. Additional Subsidization**

The recipient agrees to use 100 percent of the funds made available in the capitalization grant, net of set-asides taken, to provide additional subsidy in the form of forgiveness of principal or as grants (or any combination of these). The recipient must direct at least 25 percent of these additional subsidy funds to disadvantaged communities (as defined by the state under SDWA 1452(d)) or public water systems serving fewer than 25,000 persons. The recipient agrees to provide these funds only as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

**M. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

**N. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

**O. American Iron and Steel (AIS)**

**(a) Definitions.** As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

**(b) Domestic preference.**

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) Request for a Waiver under (b)(2) of this section**

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

#### **P. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be

in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **Q. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with “zero-trust” (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

#### **R. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled “Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e).” This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

#### **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients’ compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients’ compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.



**ATTACHMENT 1****I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361 for guidance. The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

**1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

**2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination

contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under

section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from the U.S. Department of Labor's website, <https://sam.gov/>.

(ii) (A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award

official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the

suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for

purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.



#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the

journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or

subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot

checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361, EPA Office of Grants and Debarment for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

### **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

### **2. Obtaining Wage Determinations.**



- (a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to the Illinois Environmental Protection Agency for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)
- (b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
- (i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.
- (ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.
- (d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the



contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov), and to the EPA DB Regional Coordinator concurrently. The Department of Labor Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day

on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written

evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full

wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage

determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity



requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.


(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or

transcription by authorized representatives of the EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c). The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d). The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 01E03526	DATE OF AWARD
		MODIFICATION NUMBER: 0	09/04/2024
		PROGRAM CODE: 4E	MAILING DATE
		TYPE OF ACTION	09/09/2024
		New	
		PAYMENT METHOD:	ACH#
		ASAP	50183
RECIPIENT TYPE:		Send Payment Request to:	
State		Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT:		PAYEE:	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER		EPA PROJECT OFFICER	EPA GRANT SPECIALIST
JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Phone:		Isaiah Sattlefield 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Sattlefield.Isaiah@epa.gov Phone: 312-886-2910	Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128
PROJECT TITLE AND DESCRIPTION			
FY23 IL DWSRF BIL EC Drinking Water Grant and Transfer from CWSRF See Attachment 1 for project description.			
BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
07/01/2024 - 06/30/2028	07/01/2024 - 06/30/2028	\$ 32,999,000.00	\$ 32,999,000.00
<b>NOTICE OF AWARD</b>			
Based on your Application dated 06/24/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 32,999,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 32,999,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Boulevard, W-15J Chicago, IL 60604-3507	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official for Sheila Dolan - Chief, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate			DATE 09/04/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 32,999,000	\$ 32,999,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 32,999,000	\$ 32,999,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405PWX027	22	E3SD	05P1	000B81X72	4109	22DA	-	\$ 196,000
-	2405PWX027	23	E3SD	05P1	000B81X72	4109	23DA	-	\$ 32,803,000
									\$ 32,999,000

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 32,999,000
9. Total Direct Charges	\$ 32,999,000
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 32,999,000
12. Total Approved Assistance Amount	\$ 32,999,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 32,999,000
15. Total EPA Amount Awarded To Date	\$ 32,999,000



## Attachment 1 - Project Description

This agreement provides funding to Illinois Environmental Protection Agency under the Safe Drinking Act: Section 1452 and Infrastructure Investment and Jobs Act (IIJA) PL117-58. The purpose of this agreement is for a capitalization grant which provides funds for the recipient's Drinking Water State Revolving Fund (DWSRF) program with the primary purpose to address emerging contaminants in drinking water with a focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS). Emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These substances, microorganisms or materials can include many different types of natural or manufactured chemicals and substances – such as those in some compounds of personal care products, pharmaceuticals, industrial chemicals, pesticides, and microplastics.

In addition, the Illinois Environmental Protection Agency has provided a request and all the necessary documentation to transfer the full CWSRF EC grant to DWSRF EC. The CWSRF EC funds of \$9,617,000 are awarded as EPA In-kind in (4X-01E03525-0) and will be awarded to Illinois in this, the DWSRF Emerging Contaminants grant. The Illinois Environmental Protection Agency will provide the funds in Illinois entirely as additional subsidy, consistent with the law, to protect water quality and public health in Illinois and to vitalize the economy through the creation of jobs. This process satisfies the statutory requirement that the CWSRF award be made prior to the funds transfer.

In addition, the Illinois Environmental Protection Agency has provided a request and all the necessary documentation to include the full reallotment FFY 2022 BIL Emerging Contamination Reallotment of \$196,000 to be added to the DWSRF BIL Emerging Contamination allocation. Section 1452 of the Safe Drinking Water Act (SDWA) authorizes the state to utilize funds to further the health protection objectives of SDWA. The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant. This IUP contains a list of the capital projects that address emerging contaminants that may receive funding from this grant. The recipient may also use some of the funding for specific "set-asides" to provide technical assistance to small systems, program administration, state program management and other allowable uses. The benefits of this grant will be to capitalize the recipient's DWSRF with primary purpose to address emerging contaminants in drinking water with a focus on projects addressing PFAS. The fund can be used for eligible set-aside activities related to PFAS and other emerging contaminants. These public health benefits will be statewide.

The DWSRF FR program is exempt from the 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, Illinois EPA will fund \$32,999,000 in loans in their Intended Use Plan.

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Isaiah at** [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- Payment requests (if applicable): **Isaiah at** [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Isaiah at** [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)

### B. Pre-award Costs

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from 7/1/24 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## Programmatic Conditions

### FFY 2023 BIL/IIJA DWSRF Emerging Contaminant Programmatic Terms and Conditions

#### A. Explanation of Transfer

This action approves the full FFY 2023 CWSRF BIL Emerging Contaminants (EC) allotment inter-SRF transfer of \$9,617,000 to the FFY 2023 DWSRF BIL EC capitalization grant award as authorized under Section 302 of the Safe Drinking Water Act Amendments of 1996, 42 U.S.C. 300j-12, and subsequent Pub. L. 109-54, Title II, August 2, 2005, 119 Stat. 530. The FFY 2023/SFY 2025 Illinois DWSRF IUP and PPL which contains the EC identified projects eligible to receive these funds is attached in Section M.

#### B. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

#### C. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) Emerging Contaminant SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. For a project or activity to be eligible for funding under this appropriation, it must be otherwise Drinking Water State Revolving Fund (DWSRF)-eligible, and the primary purpose must be to address emerging contaminants in drinking water.

#### D. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### E. Set-Aside Work Plan

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement. Set-asides under this appropriation must be used to either administer this capitalization grant or meet the statutory purpose of these funds: “to address emerging

contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances.”

#### F. Set-Aside Sub-Grants and Contracts

The recipient shall provide or make available to the Region 5 Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

## **G. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the DWSRF program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

## **H. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the SRF from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively.

EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

## **I. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Biennial/Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the Intended Use Plan; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

## **J. Set-Aside Reporting**

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the Region 5 Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to provide to the Region 5 Project Officer an annual report on the set-aside activities funded under this grant. In its annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant. These annual set-aside reports shall be provided with the SRF Annual Report of each year the grant is in effect.

## **K. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

## **L. SIGNAGE REQUIRED**

### **1. Signage Requirements**

- a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction

sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Bipartisan Infrastructure Law” or “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

## 2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

### M. Additional Subsidization

The recipient agrees to use 100 percent of the funds made available in the capitalization grant, net of set-asides taken, to provide additional subsidy in the form of forgiveness of principal or as grants (or any combination of these). The recipient must direct at least 25 percent of these additional subsidy funds to disadvantaged communities (as defined by the state under SDWA 1452(d)) or public water systems serving fewer than 25,000 persons. The recipient agrees to provide these funds only as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

### N. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

#### *(a) Stand-alone Lead Service Line Replacement*

(1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

(2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.



***(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects***

(1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

***(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement***

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

**O. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

**P. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

**Q. American Iron and Steel (AIS)**

***(a) Definitions.*** As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

***(b) Domestic preference.***

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as



provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

- (i) applying the requirement would be inconsistent with the public interest;
- (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) Request for a Waiver under (b)(2) of this section**

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B) Unit of measure;
- (C) Quantity;
- (D) Cost;
- (E) Time of delivery or availability;
- (F) Location of the project;
- (G) Name and address of the proposed supplier; and
- (H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

## **R. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **S. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

## **T. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition

applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

## **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

#### **1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### 3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### (1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1 (b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB

poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or



mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in

compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during

working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be

paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).



(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain

the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Not Governmental Entities:**



The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>.

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

## **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to IEPA for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains

an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1 (b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in §

5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to

paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

### (3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.



(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the



Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub

recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.


(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>	<b>GRANT NUMBER (FAIN):</b> 00E03273 <b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> 4F		<b>DATE OF AWARD</b> 09/22/2022
		<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 09/27/2022
		<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
		<b>RECIPIENT TYPE:</b> State		
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b> Trevor Sample 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Trevor.Sample@illinois.gov Phone: 217-558-2545		<b>EPA PROJECT OFFICER</b> Lee Phan 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Phan.Lee@epa.gov Phone: 312-353-5787		<b>EPA GRANT SPECIALIST</b> Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: houston-williams.kimberly@epa.gov Phone: 312-353-7928
<b>PROJECT TITLE AND DESCRIPTION</b> Advancing Implementation of the Illinois Nutrient Loss Reduction Strategy  See Attachment 1 for project description.				
<b>BUDGET PERIOD</b> 10/01/2022 - 12/31/2025	<b>PROJECT PERIOD</b> 10/01/2022 - 12/31/2025	<b>TOTAL BUDGET PERIOD COST</b> \$1,713,333.00	<b>TOTAL PROJECT PERIOD COST</b> \$1,713,333.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 07/25/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$965,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$965,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd., W-15J Chicago, IL 60604-3507		
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				<b>DATE</b> 09/22/2022

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$965,000	\$965,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$965,000	\$965,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.485 - State Support for the Gulf Hypoxia Action Plan	Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]



## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$1,713,333
9. Total Direct Charges	\$1,713,333
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$1,713,333
12. Total Approved Assistance Amount	\$1,713,333
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$965,000
15. Total EPA Amount Awarded To Date	\$965,000

### **Attachment 1 - Project Description**

The purpose of this agreement is to support and advance the Gulf Hypoxia Action Plan through implementation of Illinois EPA's nutrient reduction strategy. The Illinois workplan includes seven projects that will advance the implementation of the Illinois Nutrient Loss Reduction Strategy by creating new initiatives and scaling up existing programs. Projects include water quality monitoring in surface and groundwater, agriculture conservation practice implementation, watershed education and outreach, data metrics collection, and nutrient strategy update and reporting, with an emphasis on benefiting disadvantaged communities.

This agreement is supported by funding provided under the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58).

The activities to be performed include the following: conduct watershed outreach and education, nutrient monitoring at eight USGS continuous monitoring stations in Illinois, annual planting of 130,000140,000 acres of cover crops, purchasing of nitrate analysis equipment, development of Nutrient Loss Reduction Strategy (NLRS) biennial report, collect data on the implementation of nutrient management practices, and ongoing implementation of nonpoint source best management practices recommended in the NLRS. The deliverables to be provided under this agreement are: agronomic research results specific to nutrient reduction, data generated from Continuous Nutrient Monitoring Network and Groundwater Nitrate Monitoring Analysis, Nutrient Loss Reduction Strategy 2023 Biennial Report, survey results with information on statewide and regional implementation of 4R nutrient management adoption in Illinois,

The expected outcomes resulting from these efforts include decreased nutrient loads to the Gulf of Mexico as well as improvements to local water quality, including drinking water sources. Climate resilience and mitigation will also be achieved by certain projects.

The intended beneficiaries include residents of Illinois.

Subaward activities are as follows: technical assistance/outreach, nutrient monitoring at eight USGS continuous monitoring stations in Illinois, annual planting of 130,000140,000 acres of cover crops, purchasing of nitrate analysis equipment, development of Nutrient Loss Reduction Strategy (NLRS) biennial report, collect data on the implementation of nutrient management practices, and ongoing implementation of nonpoint source best management practices recommended in the NLRS.

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Kimberly Houston houston-williams.kimberly@epa.gov**

·MBE/WBE reports (EPA Form 5700-52A): **Dianne Reyes-reyes.dianne@epa.gov-DBE coordinator and region5closeouts@epa.gov**

·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **phan.lee@epa.gov and houston-williams.kimberly@epa.gov**

·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Lee Phan phan.lee@epa.gov**

## **Programmatic Conditions**

### **Grant-Specific Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include a summary file and data entry.

The summary file shall include brief information on each of the following areas: 1) A comparison of actual accomplishments

to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

The data entry shall include information in the Nonpoint Source Program Grants Reporting and Tracking System (GRTS) and in EPA's Water Quality Exchange (WQX). The recipient agrees to report in GRTS all data types described in the Office of Water June 10, 2022, Memorandum: Bipartisan Infrastructure Law: Gulf Hypoxia Program FY 22 Guidance for State Cooperative Agreements. The recipient agrees to enter water quality monitoring data, for data collected in a waterbody pursuant to the implementation of a GHP project, into EPA's Water Quality Exchange (WQX) system. All water quality data generated with GHP funding, either directly or by sub-award, are required to be transmitted into the WQX system using either the WQX or WQXweb. When uploading data through WQX or WQXweb, data should be identified as GHP grant related by providing project ID GHP in the data submission. If the recipient has an existing project ID, please include this in addition to the GHP project ID. Please contact the WQX helpdesk ([wx@epa.gov](mailto:wqx@epa.gov)) if you need assistance assigning multiple project IDs to a dataset.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

#### **Performance Reports - Frequency**

The recipient agrees to submit annual performance reports electronically to the EPA Project Officer within 90 days after the annual reporting period ends on September 30, starting in 2023, throughout the life of the cooperative agreement. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

#### **Subaward Performance Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

Note: EPA Project Officers may customize this reporting requirement based on programmatic information needs.

#### **B. Cybersecurity Condition**

##### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

### **C. Substantial Involvement**

EPA will be substantially involved in this agreement. Substantial involvement by the EPA Project Officer may include:

1. monthly telephone calls and other monitoring,
2. reviewing project phases and providing approval to continue to the next phase,
3. reviewing and commenting on any documents, web content, or other materials developed under this agreement (the recipient will make final decisions on these matters),
4. approving substantive terms included in contracts or subawards (EPA's Project Officer will not suggest, recommend or direct the recipient to select any particular contractor or subrecipient except to the extent permitted in Section 10 of EPA's Subaward Policy).
5. reviewing and commenting on the programmatic progress reports
6. Consultation with EPA regarding the selection of key personnel (EPA's involvement is limited to reviewing the technical qualifications of key personnel and the recipient will make the final decisions on selection. EPA's Project Officer will not suggest, recommend or direct the recipient to select any individual).
7. Joint operational involvement, participation, and/or collaboration between EPA and the recipient.

### **E. Competency Policy**

#### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## **J. QUALITY ASSURANCE**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Management Plan (QMP)**

a. Prior to beginning environmental information operations, the recipient must:

- i. Submit a previously EPA-approved and current QMP,
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP within 60 days after grant award.

c. The recipient must review their approved QMP at least annually. The results of the QMP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur

### **For Reference:**

- [EPA QA/R-2: EPA Requirements for Quality Management Plans](#) and [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#), Appendix C provides a QAPP Checklist.
- [EPA's Quality Program](#) website has a [list of QA managers, and Quality Specifications for non-EPA Organizations to do business with EPA](#).
- [The Office of Grants and Debarment Quality Assurance Requirements](#).



### **Environmental Standards**

By signing the agreement or accepting funds under this agreement, the recipient agrees to:

Identify to the awarding agency all impact this award may have on:

The quality of the human environment, and provide help the agency may need to comply with the National Environmental Policy Act (NEPA, at 42 U.S.C. 4321, et. seq.) and to prepare Environmental Impact Statements or other required environmental documentation. In such cases, the recipient agrees to take no action that will have an adverse environmental impact (e.g., physical disturbance of a site such as breaking of ground) until the agency provides written notification of compliance with the environmental impact analysis process.

NSF at 45 CFR Part 640

DOE at 10 CFR Part 1021

NASA at 14 CFR Part 1216

USDA at 7 CFR Part 3407

### **Endangered Species Act**

By signing or accepting funds under the agreement, the recipient agrees to comply with applicable provisions of the following national policies concerning live organisms:

Rules of the Departments of Interior (50 CFR Parts 10-24) and Commerce (50 CFR Parts 217-227) implementing laws and conventions on the taking, possession, transport, purchase, sale, export, or import of wildlife and plants, including the: Endangered Species Act of 1973 (16 U.S.C. 1531-1543); Marine Mammal Protection Act (16 U.S.C. 1361-1384); Lacey Act (18 U.S.C. 42); and Convention on International Trade in Endangered Species of Wild Fauna and Flora.

### **National Historic Preservation**


The recipient agrees to identify to the awarding agency all property listed or eligible for listing on the National Register of Historic Places that will be affected by this award, and to provide all the help the awarding agency may need, with respect to the award.

16 USC 470f

### **Native American Graves Protection and Repatriation**

By signing or accepting funds under the agreement, the recipient agrees that will comply with the following general national policy requirements:

25 USC 3001-3013

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	<b>GRANT NUMBER (FAIN):</b> 00E03273 <b>MODIFICATION NUMBER:</b> 1 <b>PROGRAM CODE:</b> 4F		<b>DATE OF AWARD</b> 02/22/2023
		<b>TYPE OF ACTION</b> Augmentation: Increase		<b>MAILING DATE</b> 02/27/2023
		<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
		<b>RECIPIENT TYPE:</b> State		
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b> Trevor Sample 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Trevor.Sample@illinois.gov Phone: 217-558-2545		<b>EPA PROJECT OFFICER</b> Katharine Marko 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Marko.Katharine@epa.gov Phone: 312-886-1473		<b>EPA GRANT SPECIALIST</b> Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: houston-williams.kimberly@epa.gov Phone: 312-353-7928
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Advancing Implementation of the Illinois Nutrient Loss Reduction Strategy  The purpose of this agreement is to support and advance the Gulf Hypoxia Action Plan through implementation of Illinois EPA's nutrient reduction strategy. The Illinois workplan includes seven projects that will advance the implementation of the Illinois Nutrient Loss Reduction Strategy by creating new initiatives and scaling up existing programs. Projects include water quality monitoring in surface and groundwater, agriculture conservation practice implementation, watershed education and outreach, data metrics collection, and nutrient strategy update and reporting, with an emphasis on benefiting disadvantaged communities. This agreement is supported by funding provided under the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58).  This Incremental amendment obligates federal funding in the amount of \$748,333 to fully fund this award. These funds will support the continuance of the Illinois Environmental Protection Agency workplan activities in accordance with Infrastructure Investment and Jobs Act (IIJA) (PL117-58) guidelines.				
<b>BUDGET PERIOD</b> 10/01/2022 - 12/31/2025	<b>PROJECT PERIOD</b> 10/01/2022 - 12/31/2025	<b>TOTAL BUDGET PERIOD COST</b> \$1,713,333.00	<b>TOTAL PROJECT PERIOD COST</b> \$1,713,333.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 07/25/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$748,333.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,713,333.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd., W-15J Chicago, IL 60604-3507		
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official				<b>DATE</b> 02/22/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$965,000	\$748,333	\$1,713,333
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$965,000	\$748,333	\$1,713,333

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.485 - State Support for the Gulf Hypoxia Action Plan	Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$1,713,333
9. Total Direct Charges	\$1,713,333
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$1,713,333
12. Total Approved Assistance Amount	\$1,713,333
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$748,333
15. Total EPA Amount Awarded To Date	\$1,713,333

## **Administrative Conditions**

THE FOLLOWING TERM AND CONDITION(S) ARE UPDATED:

### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Kimberly Houston houston-williams.kimberly@epa.gov**

·MBE/WBE reports (EPA Form 5700-52A): **Dianne Reyes-reyes.dianne@epa.gov-DBE coordinator and**

[region5closeouts@epa.gov](mailto:region5closeouts@epa.gov)

·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications:

[marko.katharine@epa.gov](mailto:marko.katharine@epa.gov) and [houston-williams.kimberly@epa.gov](mailto:houston-williams.kimberly@epa.gov)


·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Katharine Marko** [marko.katharine@epa.gov](mailto:marko.katharine@epa.gov)

ALL OTHER ADMINISTRATIVE TERMS AND CONDITIONS REMAIN UNCHANGED.

### **Programmatic Conditions**

ALL PROGRAMMATIC TERMS AND CONDITIONS REMAIN THE SAME.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	GRANT NUMBER (FAIN): 00E03273	DATE OF AWARD 10/31/2024
		MODIFICATION NUMBER: 2	MAILING DATE 10/31/2024
		PROGRAM CODE: 4F	ACH# 50183
		TYPE OF ACTION No Cost Amendment	
<b>RECIPIENT TYPE:</b> State		<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov	
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
<b>PROJECT MANAGER</b> Trevor Sample 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Trevor.Sample@illinois.gov Phone: 217-558-2545		<b>EPA PROJECT OFFICER</b> Christina Bozio 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: bozio.christina@epa.gov Phone: 312-886-1502	<b>EPA GRANT SPECIALIST</b> Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: houston-williams.kimberly@epa.gov Phone: 312-353-7928
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Advancing Implementation of the Illinois Nutrient Loss Reduction Strategy <p>The purpose of this agreement is to support and advance the Gulf Hypoxia Action Plan through implementation of Illinois EPA's nutrient reduction strategy. The Illinois workplan includes seven projects that will advance the implementation of the Illinois Nutrient Loss Reduction Strategy by creating new initiatives and scaling up existing programs. Projects include water quality monitoring in surface and groundwater, agriculture conservation practice implementation, watershed education and outreach, data metrics collection, and nutrient strategy update and reporting, with an emphasis on benefiting disadvantaged communities. This agreement is supported by funding provided under the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58).</p> <p>This time extension amendment extends the budget and project periods to September 30, 2027. The grantee experienced delays due to administrative changes in Illinois EPA's procurement process. The extension will allow Illinois Environmental Protection Agency to begin a Notice of Funding Opportunity for Implementation of WBP/TMDL in NLRS Priority Watersheds. The workplan activities remain in accordance with Clean Water Act guidelines and Infrastructure Investment and Jobs Act (IIJA) (PL 117-58) guidelines.</p>			
<b>BUDGET PERIOD</b> 10/01/2022 - 09/30/2027	<b>PROJECT PERIOD</b> 10/01/2022 - 09/30/2027	<b>TOTAL BUDGET PERIOD COST</b> \$ 1,713,333.00	<b>TOTAL PROJECT PERIOD COST</b> \$ 1,713,333.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 09/13/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 1,713,333.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd., W-15J Chicago, IL 60604-3507	
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>			
Digital signature applied by EPA Award Official Karen Sykes - Supervisor, Grants Management Officer			<b>DATE</b> 10/31/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 1,713,333	\$ 0	\$ 1,713,333
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 1,713,333	\$ 0	\$ 1,713,333

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.485 - State Support for the Gulf Hypoxia Action Plan	Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 1,713,333
9. Total Direct Charges	\$ 1,713,333
10. Indirect Costs: 0.00 % Base N/A	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 1,713,333
12. Total Approved Assistance Amount	\$ 1,713,333
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 1,713,333

## Administrative Conditions

### THE FOLLOWING TERM AND CONDITION(S) ARE UPDATED:

#### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and *[Kimberly Houston houston-williams.kimberly@epa.gov](mailto:Kimberly.Houston.houston-williams.kimberly@epa.gov)*

·MBE/WBE reports (EPA Form 5700-52A): *[region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and [sykes.karen@epa.gov](mailto:sykes.karen@epa.gov)*


·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: *[bozio.christina@epa.gov](mailto:bozio.christina@epa.gov) and [houston-williams.kimberly@epa.gov](mailto:houston-williams.kimberly@epa.gov)*

·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: *[Christina Bozio bozio.christina@epa.gov](mailto:Christina.Bozio.bozio.christina@epa.gov)*

ALL OTHER ADMINISTRATIVE TERMS AND CONDTIONS REAMIN UNCHANGED.

## **Programmatic Conditions**

**ALL PROGRAMMATIC TERM AND CONDITONS REMAIN THE SAME.**

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		GRANT NUMBER (FAIN): 00E04041	DATE OF AWARD
			MODIFICATION NUMBER: 0	01/06/2025
			PROGRAM CODE: 4F	
			TYPE OF ACTION New	MAILING DATE 01/09/2025
PAYMENT METHOD: ASAP			ACH# 50183	
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT:			PAYEE:	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642			ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST
Trevor Sample 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Trevor.Sample@illinois.gov Phone: 217-558-2545		Christina Bozio 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: bozio.christina@epa.gov Phone: 312-886-1502		Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128
PROJECT TITLE AND DESCRIPTION  FY24-26 IEPA Gulf Hypoxia Program  See Attachment 1 for project description.				
BUDGET PERIOD 03/01/2025 - 02/28/2030	PROJECT PERIOD 03/01/2025 - 02/28/2030	TOTAL BUDGET PERIOD COST \$ 2,644,116.00	TOTAL PROJECT PERIOD COST \$ 2,644,116.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 10/28/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 584,116.00. EPA agrees to cost-share <u>95.08%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 584,116.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Water Division R5 - Region 5 77 W Jackson Blvd., W-15J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official for Sheila Dolan - Manager, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate				DATE 01/06/2025



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 584,116	\$ 584,116
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 130,000	\$ 130,000
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 714,116	\$ 714,116

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.485 - State Support for the Gulf Hypoxia Action Plan	Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2505PRX001	24	BSD	05P1	000B89X77	4183	-	-	\$ 584,116
									\$ 584,116

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 2,644,116
9. Total Direct Charges	\$ 2,644,116
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>4.92</u> % Federal <u>95.08</u> %)	\$ 2,644,116
12. Total Approved Assistance Amount	\$ 2,514,115
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 584,116
15. Total EPA Amount Awarded To Date	\$ 584,116

## **Attachment 1 - Project Description**

This agreement provides funding under the Infrastructure Investment and Jobs Act (IIJA) to Illinois Environmental Protection Agency (IEPA). The purpose of this agreement is to support and advance the Gulf Hypoxia Action Plan through implementation of the recipient's nutrient reduction strategy. IEPA plans to continue four projects from their FFY22/23 Gulf Hypoxia Program Grant (Continuous Nutrient Monitoring Network, Cover Crop Premium Discount Program, Ag Retailer 4RNutrient Management Metrics Survey, NLRS Implementation in Priority Watersheds). Continuation of these projects is necessary to further the collection of water quality metrics, agriculture metrics, and implementation of practices to reduce nutrient loss.

The activities include the following: nutrient monitoring at eight USGS continuous monitoring stations in Illinois, annual planting of 190,000 acres of cover crops, collect data on the implementation of nutrient management practices, and ongoing implementation of nonpoint source best management practices recommended in the Nutrient Loss Reduction Strategy.

The anticipated deliverables include water quality data generated from Continuous Nutrient Monitoring Network, agronomic research results specific to nutrient reduction, and survey results with information on statewide and regional implementation of 4R nutrient management adoption in Illinois. The expected outcomes include decreased nutrient loads to the Gulf of Mexico as well as improvement to local water quality and drinking water sources. Climate resilience and mitigation will also be achieved by certain projects. The intended beneficiaries include residents of Illinois and expands to the Gulf of Mexico through the Mississippi-Atchafalaya River Basin.

Activities include: nutrient monitoring at eight USGS continuous monitoring stations in Illinois, annual planting of 190,000 acres of cover crops, collect data on the implementation of nutrient management practices, and ongoing implementation of nonpoint source best management practices recommended in the Nutrient Loss Reduction Strategy.

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Christina Bozio at** [Bozio.Christina@epa.gov](mailto:Bozio.Christina@epa.gov) and **Robert Young at** [young.robert@epa.gov](mailto:young.robert@epa.gov)
- Payment requests (if applicable): **Christina Bozio at** [Bozio.Christina@epa.gov](mailto:Bozio.Christina@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Christina Bozio at** [Bozio.Christina@epa.gov](mailto:Bozio.Christina@epa.gov)

#### B. Contingent Funding

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

## **Programmatic Conditions**

### **Support for the Gulf Hypoxia Action Plan – BIL Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include a summary file and data entry.

The summary file shall include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

The data entry shall include information in the Nonpoint Source Program Grants Reporting and Tracking System (GRTS) and in EPA's Water Quality Exchange (WQX). The recipient agrees to report in GRTS all data types described in the Office of Water July 10, 2024, Memorandum: Bipartisan Infrastructure Law: Gulf Hypoxia Program FY 24 Guidance for State Cooperative Agreements. The recipient agrees to enter water quality monitoring data, for data collected in a waterbody pursuant to the implementation of a GHP project, into EPA's WQX system. All water quality data generated with GHP funding, either directly or by sub-award, are required to be transmitted into the WQX system using either the WQX or WQXweb. When uploading data through WQX or WQXweb, data should be identified as GHP grant related by providing project ID GHP in the data submission. If the recipient has an existing project ID, please include this in addition to the GHP project ID. Please contact the WQX helpdesk ([wx@epa.gov](mailto:wqx@epa.gov)) if you need assistance assigning multiple project IDs to a dataset.

Additionally, the recipient agrees to notify the Environmental Protection Agency when a significant development occurs that could impact the award. Significant developments include events that enable meeting milestones and objectives sooner or at less cost than anticipated or that produce different beneficial results than originally planned. Significant developments also include problems, delays, or adverse conditions which will impact the ability to meet the milestones or objectives of the award, including outputs/outcomes specified in the assistance agreement work plan. If the significant developments negatively impact the award, the recipient must include information on their plan for corrective action and any assistance needed to resolve the situation.

##### **Performance Reports - Frequency**

The recipient agrees to submit annual performance reports electronically to the EPA Project Officer annually from the time of award, throughout the life of the cooperative agreement. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

##### **Subaward Performance Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(e). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(f), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

Note: EPA Project Officers may customize this reporting requirement based on programmatic information needs.

## **B. Cybersecurity Condition**

### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(e), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **C. Substantial Involvement**



EPA will be substantially involved in this agreement. Substantial involvement by EPA may include:

1. monthly telephone calls and other monitoring,
2. reviewing project phases and providing approval to continue to the next phase,
3. reviewing and commenting on any documents, web content, or other materials developed under this agreement (the recipient will make final decisions on these matters),
4. approving substantive terms included in contracts or subawards (EPA's Project Officer will not suggest, recommend or direct the recipient to select any particular contractor or subrecipient except to the extent permitted in Section 10 of EPA's Subaward Policy).
5. reviewing and commenting on the programmatic progress reports
6. Consultation with EPA regarding the selection of key personnel (EPA's involvement is limited to reviewing the technical qualifications of key personnel and the recipient will make the final decisions on selection. EPA's Project Officer will not suggest, recommend or direct the recipient to select any individual).
7. Joint operational involvement, participation, and/or collaboration between EPA and the recipient.

#### **D. Required Terms and Conditions for Federal Review**

##### **1. Environmental Standards**

The recipient agrees to identify to the awarding agency all impact this award may have on:

The quality of the human environment, and provide help the agency may need to comply with the National Environmental Policy Act (NEPA, at 42 U.S.C. 4321, et. seq.) and to prepare Environmental Impact Statements or other required environmental documentation. In such cases, the recipient agrees to take no action that will have an adverse environmental impact (e.g., physical disturbance of a site such as breaking of ground) until the agency provides written notification of compliance with the environmental impact analysis process.

NSF at 45 CFR Part 640

DOE at 10 CFR Part 1021

NASA at 14 CFR Part 1216

USDA at 7 CFR Part 3407

##### **2. Endangered Species Act**

The recipient agrees to comply with applicable provisions of the following national policies concerning live organisms:

Rules of the Departments of Interior (50 CFR Parts 10-24) and Commerce (50 CFR Parts 217-227)

implementing laws and conventions on the taking, possession, transport, purchase, sale, export, or import of wildlife and plants, including the: Endangered Species Act of 1973 (16 U.S.C. 1531-1543); Marine Mammal Protection Act (16 U.S.C. 1361-1384); Lacey Act (18 U.S.C. 42); and Convention on International Trade in Endangered Species of Wild Fauna and Flora.

### **3. National Historic Preservation**

The recipient agrees to identify to the awarding agency all property listed or eligible for listing on the National Register of Historic Places that will be affected by this award, and to provide all the help the awarding agency may need, with respect to the award. 16 U.S.C. 470f

### **4. Native American Graves Protection and Repatriation**

The recipient agrees that it will comply with the following general national policy requirements: 25 U.S.C. 3001-3013

## **E. Competency Policy**

### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## **F. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

## **G. QUALITY ASSURANCE**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Management Plan (QMP)**

a. Prior to beginning environmental information operations, the recipient must:

i. Submit a previously EPA-approved and current QMP,

ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP within 30 days after grant award.

c. The recipient must review their approved QMP at least annually. These documented reviews shall be made available to the sponsoring EPA organization if requested. When necessary, the recipient shall revise its QMP to incorporate minor changes and notify the EPA PO and QAM of the changes. If significant changes have been made to the Quality Program that affect the performance of environmental information operations, it may be necessary to re-submit the entire QMP for re-approval. In general, a copy of any QMP revision(s) made during the year should be submitted to the EPA PO and QAM in writing when such changes occur. Conditions requiring the revision and resubmittal of an approved QMP can be found in section 6 of EPA's [Quality Management Plan \(QMP\) Standard](#).

## 2. Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

i. Provide EPA a copy of the recipient-approved QAPP if the recipient has an EPA-approved Quality Management Plan and a current EPA delegation to review and approve QAPPs.

b. The recipient must submit the QAPP 90 days after grant award.

c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. EPA may require the QAPP be updated and re-submitted for approval.

d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur.

### For Reference:


- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard; EPA Requirements for Quality Assurance Project Plans](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#), Appendix C provides a QAPP Checklist.
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Non-EPA Organizations Quality Specifications](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

## H. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the Illinois Environmental Protection Agency received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

## I. Paperwork Reduction Act

The scope of work for this cooperative agreement includes a survey or other information collection of identical information from 10 or more parties. As provided by 5 CFR 1320.3(d), EPA is a sponsor of the information collection for purposes of obtaining approval from the Office of Management and Budget for collecting information. The recipient agrees to assist EPA in complying with OMB procedures at 5 CFR Part 1320 for obtaining Information Collection Request authorization. The recipient may not collect information until EPA obtains OMB approval.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 00E03527		DATE OF AWARD
		MODIFICATION NUMBER: 0		09/21/2023
		PROGRAM CODE: 4L		MAILING DATE
		TYPE OF ACTION New		09/26/2023
PAYMENT METHOD: ASAP		ACH# 50183		
RECIPIENT TYPE: State		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT:		PAYEE:		
Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST
Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: nidhan.singh@illinois.gov Phone: 217-524-4337		Andrew Bielanski 77 West Jackson Blvd, WS-15J, WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 312-886-0208		Michael Tukes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: tukes.michael@epa.gov Phone: 312-886-5368
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2022 IL DWSRF BIL LSLR Grant  See Attachment 1 for project description.				
BUDGET PERIOD 07/01/2023 - 06/30/2027	PROJECT PERIOD 07/01/2023 - 06/30/2027	TOTAL BUDGET PERIOD COST \$106,964,000.00	TOTAL PROJECT PERIOD COST \$106,964,000.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 07/12/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$106,964,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$106,964,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd, WS-15J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				DATE 09/21/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$106,964,000	\$106,964,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$106,964,000	\$106,964,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]



## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$106,964,000
9. Total Direct Charges	\$106,964,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$106,964,000
12. Total Approved Assistance Amount	\$106,964,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$106,964,000
15. Total EPA Amount Awarded To Date	\$106,964,000

**Attachment 1 - Project Description**

This agreement provides funding to the Illinois Environmental Protection Agency. Safe Drinking Water Act (SDWA): Section 1452 and Infrastructure Investment and Jobs Act (IIJA) PL 117-58 authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health. The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant. This agreement will provide funds to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. This IUP contains a list of the capital projects that may receive funding from this grant and a description of the eligible activities funded by the set-asides.

The benefits of this grant will be to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. The fund can be used to develop or update lead service line inventories and provide technical assistance to small water systems undertaking lead service line inventories or construction projects. These public health benefits will be statewide.

The Drinking Water SRF program is exempt from 2 CFR 200.332 subrecipient management requirements for sub-awards as provided in 2 CFR 1500. The program provides assistance in the form of loans. Of this grant amount, IEPA will fund \$96,964,000.00 in loans (23DA) in their Intended Use Plan. The remaining \$10,000,000 will be used to assist in the development and implementation of local drinking water protection initiatives and other State programs under the Local Assistance and Other State Programs Set Aside (23DG).

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): Michael Tukes – DBE Coordinator at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov).

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications:

Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov) and Michael Tukes at [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov).

Payment requests (if applicable): Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov)  
Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Andrew Bielanski at [Bielanski.andrew@epa.gov](mailto:Bielanski.andrew@epa.gov).

### **B. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **7/1/23** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2023 BIL/IIJA DWSRF General Supplemental Programmatic Terms and Conditions**

#### **A. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method..

## **B. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

## **C. Amended Cash Draw Proportionality**

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

## **D. Set-Aside Work Plan**

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement.

## **E. Set-Aside Sub-Grants and Contracts**

The recipient shall provide or make available to the EPA copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

## **F. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

## **G. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations

Act, 2023), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

## **H. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

## **I. Set-Aside Reporting**

The recipient agrees to provide to the EPA an annual report on the set-aside activities funded under this grant. These reports shall be provided 90 days after the state fiscal year of each year the grant is in effect.

## **J. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

## **K. SIGNAGE**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden’s Bipartisan Infrastructure Law” or “project funded by President Biden’s Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at:  
<https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant

language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

## **2. Public or Media Events**

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

### **L. Full Lead Service Line Replacement**

The recipient agrees to ensure that any project funded in whole or in part under this capitalization grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

### **M. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

### **N. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

### **O. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

### **P. American Iron and Steel (AIS)**

#### **(a) Definitions. As used in this award term and condition—**

**(1)** "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.



(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

**(b) *Domestic preference.***

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) *Request for a Waiver under (b)(2) of this section***

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel

products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

#### **Q. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **R. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

#### **S. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction

project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

## **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may

also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

## **1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible

place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.



(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted

to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by

reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.



(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.



(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

**II. Requirements Under the Safe Drinking Water Act, Section 1452(a)(5) For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

**1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to

any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to IEPA for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible

place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.



(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.



(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted

to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by

reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.


(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 01E03527		DATE OF AWARD 09/10/2024	
		MODIFICATION NUMBER: 0			
		PROGRAM CODE: 4L		TYPE OF ACTION New	MAILING DATE 09/13/2024
		PAYMENT METHOD: ASAP		ACH# 50183	
RECIPIENT TYPE: State		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov			
RECIPIENT:		PAYEE:			
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276			
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Phone:		Isaiah Sattlefield 77 West Jackson Blvd., WS-15J Chicago, IL 60604-3507 Email: Sattlefield.Isaiah@epa.gov Phone: 312-886-2910		Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128	
PROJECT TITLE AND DESCRIPTION  FY23 IL DWSRF BIL LSLR  See Attachment 1 for project description.					
BUDGET PERIOD 07/01/2024 - 06/30/2028		PROJECT PERIOD 07/01/2024 - 06/30/2028		TOTAL BUDGET PERIOD COST \$ 239,745,000.00	
				TOTAL PROJECT PERIOD COST \$ 239,745,000.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 06/24/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 239,745,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 239,745,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Water Division R5 - Region 5 77 W Jackson Blvd., W-15J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official for Sheila Dolan - Chief, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate					DATE 09/10/2024



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 239,745,000	\$ 239,745,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 239,745,000	\$ 239,745,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Drinking Water State Revolving Fund	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405PWX028	23	E3SD	05P1	000B81X71	4109	23DA	-	\$ 230,177,000
-	2405PWX028	22	E3SD	05P1	000B81X71	4109	22DA	-	\$ 9,568,000
									\$ 239,745,000

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 239,745,000
9. Total Direct Charges	\$ 239,745,000
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 239,745,000
12. Total Approved Assistance Amount	\$ 239,745,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 239,745,000
15. Total EPA Amount Awarded To Date	\$ 239,745,000

## **Attachment 1 - Project Description**

This agreement provides funding to Illinois Environmental Protection Agency Safe Drinking Water Act (SDWA): Section 1452 and Infrastructure Investment and Jobs Act (IIJA) PL 117-58 authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health. The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant. This agreement will provide funds to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. This IUP contains a list of the capital projects that may receive funding from this grant and a description of the eligible activities funded by the set-asides.

The benefits of this grant will be to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. The fund can be used to develop or update lead service line inventories and provide technical assistance to small water systems undertaking lead service line inventories or construction projects. These public health benefits will be statewide.

The Drinking Water State Revolving Fund Program is exempt from 2 CFR 200.332 subrecipient monitoring requirements as provided in 2 CFR 1500. The program is providing \$239,745,000 in the form of loans.

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- Payment requests (if applicable): **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Isaiah Sattlefield at [Sattlefield.Isaiah@epa.gov](mailto:Sattlefield.Isaiah@epa.gov)**

### B. Pre-award Costs

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from 7/1/24 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## Programmatic Conditions

### FFY 2023 BIL/IIJA DWSRF Lead Service Line Replacement Programmatic Terms and Conditions

#### A. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

#### B. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) Lead Service Line Replacement SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. For a project or activity to be eligible for funding under this appropriation, it must be otherwise be eligible under the Drinking Water State Revolving Fund (DWSRF) program and be a lead service line replacement (LSLR) project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines.

#### C. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

#### D. Set-Aside Work Plan

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement. Set-asides under this appropriation must be used to either administer this capitalization grant or meet the statutory purpose of these funds: “for lead service line

replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.”

#### E. Set-Aside Sub-Grants and Contracts

The recipient shall provide or make available to the Region 5 Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant.

#### F. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management

of the DWSRF program.

## **G. SRF Data System and Public Health Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the SRF BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

## **H. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Biennial/Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

## **I. Set-Aside Reporting**

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the Region 5 Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to provide to the Region 5 Project Officer an annual report on the set-aside activities funded under this grant. In its annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant. These annual set-aside reports shall be provided with the SRF Annual Report of each year the grant is in effect.

## **J. Program Income from Administrative Fees**

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

## **K. SIGNAGE REQUIRED**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Bipartisan Infrastructure Law” or “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.



The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

## 2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## L. Additional Subsidization

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

## M. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

### ***(a) Stand-alone Lead Service Line Replacement***

(1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

(2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.

### ***(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects***

(1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must

record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

***(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement***

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

## **N. Green Project Reserve**

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

## **O. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

## **P. American Iron and Steel (AIS)**

***(a) Definitions.*** As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

***(b) Domestic preference.***

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

**(c) *Request for a Waiver under (b)(2) of this section***

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

**Q. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-

controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **R. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

#### **S. Wage Rate Requirements**

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

#### **Preamble**

With respect to the DWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain

responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

#### **1. Applicability of the DB prevailing wage requirements.**

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.



(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1 (b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB

poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or

mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in

compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during

working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be



paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).



(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen,

working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Section 1452(a)(5) of the Safe Drinking Water Act For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the Safe Drinking Water Act, Section 1452(a)(5) with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact EPA's Office of Grants and Debarment for guidance at [EPA\\_Grants\\_Info@epa.gov](mailto:EPA_Grants_Info@epa.gov). The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>.

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

## **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the Safe Drinking Water Act, Section 1452(a)(5), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

## **2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the wage determination to Illinois Environmental Protection Agency for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the

solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project carried out in whole or in part with assistance made available by the DWSRF, and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Safe Drinking Water Act, Section 1452(a)(5), the following clauses:

#### **(1) Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1 (b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination

for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.



(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.



(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the

United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal

certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any

person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.


(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at

<https://www.dol.gov/agencies/whd/contact/local-offices>.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		GRANT NUMBER (FAIN): 00E03300	DATE OF AWARD
			MODIFICATION NUMBER: 0	01/27/2023
			PROGRAM CODE: 4W	
			TYPE OF ACTION New	MAILING DATE 02/01/2023
PAYMENT METHOD: ASAP			ACH# 50183	
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov	
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>
Jeron Schultz 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: jeron.schultz@illinois.gov Phone: 217-558-2564		Keary Cragan 77 W. Jackson Blvd., SM-5J Chicago, IL 60604 Email: cragan.keary@epa.gov Phone: 312-353-5669		Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Houston-Williams.Kimberly@epa.gov Phone: 312-353-7928
<b>PROJECT TITLE AND DESCRIPTION</b> IEPA FFY22/23 Brownfield 128(a) BIL Program  EPA's CERCLA Section 128(a) grant program funds activities that establish or enhance the capacity of state and tribal response programs. The goals of this funding are to provide financial support for the elements of an effective state or tribal response program, as specified in CERCLA Section 128, and to ensure that states and tribes maintain a public record of sites included in their programs. The Infrastructure Investment and Jobs Act ("IIJA") provided additional funding to carry out the Section 128(a) grant program. The purpose of this award is to enhance the capacity of The State of Illinois' brownfields response program to meet the Section 128(a) elements. Illinois Environmental Protection Agency will oversee and perform planning, assessment, and cleanup of brownfields sites throughout the State of Illinois. Illinois EPA will oversee and perform planning, assessment, and cleanup of brownfields sites throughout the State of Illinois. Environmental Assessments No subawards are included in this assistance agreement.				
<b>BUDGET PERIOD</b> 10/01/2022 - 09/30/2023		<b>PROJECT PERIOD</b> 10/01/2022 - 09/30/2023		<b>TOTAL BUDGET PERIOD COST</b> \$1,114,000.00
				<b>TOTAL PROJECT PERIOD COST</b> \$1,114,000.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 10/17/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,114,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,114,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Land, Chemicals and Redevelopment Division R5 - Region 5 77 West Jackson Blvd., L-17J Chicago, IL 60604-3507	
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature supplied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch Tijuanna Dessausure-Decoster - Section Manager				<b>DATE</b> 01/27/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$1,114,000	\$1,114,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$1,114,000	\$1,114,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.817 - State and Tribal Response Program Grants	CERCLA: Sec. 128(a) & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$111,034
2. Fringe Benefits	\$111,454
3. Travel	\$8,714
4. Equipment	\$190,000
5. Supplies	\$1,200
6. Contractual	\$595,795
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$1,018,197
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$95,803
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$1,114,000
12. Total Approved Assistance Amount	\$1,114,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,114,000
15. Total EPA Amount Awarded To Date	\$1,114,000

SUMMARY OF INDIRECT COST RATE

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carry Carryforward	\$0
2. 7/1/22-6/30/23 @43.06%	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtfpc-grants@epa.gov](mailto:rtfpc-grants@epa.gov) and **Kimberly Houston houston-williams.kimberly@epa.gov**

·MBE/WBE reports (EPA Form 5700-52A): **Dianne Reyes-reyes.dianne@epa.gov-DBE coordinator and region5closeouts@epa.gov**

·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **cragan.keary@epa.gov and houston-williams.kimberly@epa.gov**

·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Keary Cragan cragan.keary@epa.gov**

### **B. Pre-Award Costs**

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **10/1/2022** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

**CERCLA SECTION 128(a) STATE AND TRIBAL RESPONSE PROGRAM**

**FY22 INFRASTRUCTURE INVESTMENT AND JOBS ACT ("IIJA") FUNDING**

**GRANT-SPECIFIC PROGRAMMATIC**

**TERMS AND CONDITIONS**

Due to the budget accounting, tracking, and reporting requirements for the Infrastructure Investment and Jobs Act (“IIJA”) funding, Section 128(a) cooperative agreements funded with IIJA money must be awarded separately from Section 128(a) cooperative agreements with annual appropriated funds. In the same vein, Section 128(a) IIJA funds are not eligible to be included in Performance Partnership Grants (“PPGs”) under 40 CFR Part 35 Subparts A and B. This restriction is intended to ensure that Section 128 Cooperative Agreement Recipients (“CARs”) can effectively track, account for, and report on the use of IIJA funding.

If a CAR has two FY22 Section 128(a) Cooperative Agreements (one with annual appropriated funds and one with IIJA funds), the two awards must clearly delineate what activities will utilize annual appropriation funds versus IIJA funds. CARs must work closely with EPA Project Officers to ensure that there is no duplication of work funded by the two sources of funding.

I. **Response Program Elements:** Throughout the duration of this agreement the CAR must remain a party to the Voluntary Response Program Memorandum of Agreement with EPA, dated **4/6/1995**.

II. **Substantial Involvement:** This is a cooperative agreement that will entail substantial involvement by EPA to the extent Agency resources permit. Substantial EPA involvement includes:

A. Consultation and collaboration on technical and policy matters at the CAR’s request. EPA’s Project Officer or designee may provide data, advice, and information that will help the CAR carry out the agreement effectively;

B. EPA’s Project Officer may review the substantive terms of professional services contracts or subawards the CAR enters into to carry out specific elements of the scope of work. Neither EPA’s Project Officer nor any other EPA employee will direct, recommend, or suggest that the CAR enter into a contract or subaward with a specific entity. EPA approval is not required for contracts for supplies, equipment, information technology and other administrative support services;

C. EPA’s Project Officer may review the qualifications of key staff hired by the CAR or consultants with whom the CAR contracts to carry out specific elements of the scope of work when those staff or contractors are paid by the grant funds. Neither EPA’s Project Officer nor any other EPA employee will direct, recommend, or suggest that the CAR hire a particular individual or enter into a consulting contract with a specific entity;

D. Monitoring by EPA of the CAR’s performance under the agreement; and

(NOTE: EPA’s Project Officer may waive or modify its substantial involvement on any particular matter or classes of matters through written advice to the CAR.)

III. **Public Record System:** The CAR must establish a public record system pursuant to CERCLA Section 128(b)(1)(C). The public record must be maintained and updated at least annually and include the requirements listed below.

A. For sites where response actions were completed in the previous grant project year, include the following:

1. Date the response action was completed;
2. Site name, name of owner at time of cleanup, and type of site (e.g., petroleum, methamphetamine laboratory, mine scarred lands);
3. Location of the site (street address, latitude and longitude);
4. Explanation of whether or not the site will be suitable for unrestricted use upon completion of the response action. If not, the public record must identify and describe the institutional control(s) in place or relied on for the remedy (e.g., deed restriction);
5. Nature of the contamination at the site (e.g., hazardous substances, contaminants, pollutants, petroleum contamination, etc.); and
6. Size of the site in acres.

B. A list of sites planned to be addressed in the next year by the state or tribal response program including:

1. Site name, name of owner at time of cleanup, and type of site (e.g., petroleum, methamphetamine laboratory, mine scarred lands);
2. Location of the site (street address, latitude and longitude);
3. To the extent known, whether an institutional control is in place. If so, describe the type of institutional control in



place (e.g., deed restriction);

4. To the extent known, the nature of the contamination at the site (e.g., hazardous substances, contaminants, pollutants, petroleum contamination, etc.); and

5. Size of the site in acres.

C. Once a public record is established in a manner consistent with CERCLA Section 128(b)(1)(C), CARs must maintain the public record throughout the duration of this agreement.

#### **IV. Site-Specific Assessment and Cleanup Activities:**

A. Consistent with CERCLA Section 128(a)(2)(C)(iii), EPA guidance, and to the extent authorized by the scope of work for this agreement, the CAR may conduct assessments or cleanups at sites that meet the definition of a brownfield site at CERCLA Section 101(39) in response to a request by a person who is or may be affected by a release or threatened release of a hazardous substance, pollutant, contaminant, or petroleum at a brownfield located in the community in which the person works or resides. Assessments and cleanups must comply with all applicable laws and are subject to the following restrictions:

1. Absent approval by EPA's Project Officer, no more than \$250,000 per site can be funded for assessments, and no more than \$250,000 per brownfield site can be funded for cleanups. *This per-site cap includes the FY22 funding that a CAR has already been allocated from FY22 Section 128(a) Annual Appropriation funds; it does not add an additional \$250,000 on top of the \$200,000 cap from the previous award. If the CAR's FY22 workplan for a CERCLA 128 grant funded with annual appropriated funds addresses a site assessment or cleanup and has reached the previous cap of \$200,000, the CAR may add \$50,000.*

2. Absent approval by EPA's Project Officer, the CAR may not use funds awarded under this agreement to assess and/or cleanup brownfields owned by the CAR or held in trust by the United States Government for the CAR.

3. Assessments and cleanups may not be conducted at brownfields where the CAR is a potentially responsible party ("PRP") pursuant to CERCLA Section 107, except when the CAR acquired the property before January 11, 2002, and has not caused or contributed to a release or threatened release of a hazardous substance at the property.

B. Consistent with CERCLA Section 128(a)(2)(B)(ii), and to the extent authorized by the scope of work for this agreement, the CAR may use funds awarded under this agreement to complete the necessary response activities, including assessments and cleanups, if the person conducting a response action overseen by the CAR fails to complete the necessary response activities, including operation and maintenance or long-term monitoring activities. Assessments and cleanups under this provision must comply with all applicable laws and are subject to the following restrictions:

1. Absent approval by EPA's Project Officer, the CAR may not use funds awarded under this agreement to assess and cleanup sites owned by the CAR.

2. The CAR may not use funds awarded under this agreement to assess or cleanup sites for which the CAR is a potentially responsible party (pursuant to CERCLA Section 107), with the exception of sites contaminated by a controlled substance as defined in CERCLA Section 101(39)(D)(ii)(I).

C. For the site-specific activities under paragraphs III.A. and III.B., the CAR must maintain documentation supporting the CAR's conclusion that the site meets the brownfield definition in CERCLA Section 101(39). For those sites which are excluded from the brownfield definition, pursuant to CERCLA Section 101(39)(B), but are eligible for a property-specific funding determination pursuant to CERCLA Section 101(39)(C), the CAR must comply with paragraph IV below. NOTE: To the extent authorized in the scope of work for this agreement, the CAR may conduct oversight of cleanups at sites other than brownfields. Records must be maintained per 2 CFR 200.334.

D. For site-specific activities at petroleum-only brownfields sites (CERCLA Section 101(39)(D)(ii)(II)), the requirements listed below apply.

1. The CAR must determine maintain supporting documentation that:

- a) There is no viable responsible party for the site;

- b) The site will not be assessed, investigated, or cleaned up by a person that is potentially liable for cleaning up the site; and

- c) The site is not subject to any order issued under Section 9003(h) of the Solid Waste Disposal Act.

2. The supporting documentation must identify the state who made the determinations identified in D.1., the date the CAR obtained the determinations, and a summary of each conclusion.

**E. Site-specific Activity Funding Limit:** The amount requested for site-specific assessments and cleanups **may not exceed 75%** of the total amount of Section 128(a) funding awarded to the CAR during FY 2022. This 75% cap includes the FY22 funding that the CAR received from the FY22 Section 128(a) Annual Appropriation funds plus the FY22 funding that the CAR is receiving in FY22 IIJA funds. *[Note: Oversight of assessment and cleanup activities performed by responsible parties (other than the state or tribe) does not count toward the 75% limit. The 75% cap also does not include personnel or supplies/equipment purchased in support of site-specific work.]*

A CAR may submit to the EPA Project Officer a written request for a waiver to exceed the 75% of annual funding for site-specific activities, as described under Section III A-D. The EPA Project Officer will review the waiver request and make a recommendation to EPA's Office of Brownfields and Land Revitalization, who will determine if the requested waiver is approved. The EPA Project Officer will notify the CAR of EPA's determination.

The CAR's written waiver request submitted to the EPA Project Officer must include a brief justification describing the reason(s) for spending more than 75% of their FY22 total allocation [which includes the FY22 funding that the CAR received from the FY22 Section 128(a) Annual Appropriation funds plus the FY22 funding that the CAR is receiving in FY22 IIJA funds] on site-specific activities and must include the following information:

1. Provide the percentage of the eligible brownfield site-specific activities (assuming waiver is approved) in the CAR's total FY22 budget;
2. List all site-specific activities that will be covered by this funding. If known, provide site-specific information and a description of how work on each site contributes to the establishment or enhancement of your state/tribal response program. EPA encourages states and tribes to use site-specific funding to perform assessment and cleanup activities that will expedite the reuse and redevelopment of sites, and prioritize sites based on need. Further explain how the community will be (or has been) involved in prioritization of site work and especially those sites where there is a potential or known significant environmental impact to the community;
3. Explain how this shift in funding will not negatively impact the core programmatic capacity (i.e., the ability to establish/enhance four elements of a response program) and how it will be maintained in spite of an increase in site-specific work. Grantees must demonstrate that they have adequate funding from other sources to effectively carry out work on the four elements for EPA to grant a waiver of the 75% limit on using 128(a) funds for site-specific activities;

4. Describe how this shift in funding towards site-specific work is appropriate for your response program; and
5. Explain whether the sites to be addressed are those for which the affected community/ies has/have requested work be conducted.

**V. Property-Specific Funding Determinations:**

A. If a CAR plans to use funds for site-specific activities at a site that is excluded from the definition of a brownfield in CERCLA Section 101(39)(A) and (B) but is eligible for a property-specific funding determination, then the CAR must provide information sufficient for EPA's Regional Approval Official, as delegated by Delegation 14-44 and 14-45, to make a property-specific funding determination. Sites eligible for property-specific funding are defined in CERCLA Section 101(39)(C). The CAR must comply with the following requirements:

1. The CAR must not incur any site-specific costs for those sites which require a property-specific funding determination under this agreement (other than those necessary to provide information to EPA) until EPA's Approval Official makes a property-specific funding determination.
2. The CAR must submit to EPA's Project Officer a written request for a property-specific funding determination. The request must include information about the site (e.g., name, location, owners) and explain how the financial assistance will:
  - a) Protect human health and the environment, and
  - b) Either promote economic development or enable the creation of, preservation of, or addition to parks, greenways, undeveloped property, other recreational property or other property used for nonprofit purposes.

B. Any property-specific funding determination granted by EPA does not obviate the CAR's responsibility to incur only costs that meet the terms and conditions of the agreement and are allowable under 2 CFR Parts 200 and 1500 for governmental entities.

**VI. Institutional Controls:** To the extent authorized by the scope of work for this agreement, the CAR may use funding

under this agreement to maintain and monitor institutional controls.

## VII. Grant Performance Reporting Requirements:

### A. Performance Reporting Requirements for Program Activity Levels ("PALs")

CARs must report Program Activity Levels ("PALs") **once** annually when the Section 128(a) funding request is due to the appropriate EPA Regional Office in mid-December. CARS **are not** required to provide two separate PALs reports for FY22. PALs summarize the work from the previous federal fiscal year, therefore, CAR's *responses to the PALs questions should reflect activities for the period covering the last federal fiscal year (October 1 – September 30)*, including:

1. Environmental programs where CERCLA 128(a) funds are used to support capacity building [general program support, non-site-specific work]. Specify which programs were supported with 128(a) funds from the following: Brownfields, Underground Storage Tanks/Leaking Underground Storage Tanks, Federal Facilities, Solid Waste Superfund, Hazardous Waste Facilities, VCP (Voluntary Cleanup Program, Independent Cleanup Program, etc.), and Other;
2. Number of properties (or sites) enrolled in a response program during previous federal fiscal year;
3. Number of properties (or sites) where documentation indicates that cleanup work is complete AND either (a) all required institutional controls (IC's) are in place, or (b) the cleanup does not require ICs;
4. Total number of acres associated with properties (or sites) in the previous question (Question #3);
5. OPTIONAL: Number of properties (or sites) where assistance was provided, but the property was not enrolled in a response program;
6. Date that the public record was last updated;
7. Number of audits/inspections/reviews/other conducted to ensure engineering controls and institutional controls are still protective; and

8. Did you develop or revise legislation, regulations, codes, guidance documents or policies related to establishing or enhancing your Voluntary Cleanup Program/Response Program during FY21? If yes, please indicate the type and whether it was new or revised.

For FY22, CARs must report PALs information either directly in [EPA's Assessment, Cleanup and Redevelopment Exchange System \("ACRES"\) database](#) OR by filling out the form found at <https://www.epa.gov/brownfields/program-activity-levels-pals-reporting-form> and providing it to the appropriate EPA Regional Office along with the CAR's FY23 funding request in mid-December.

Beginning in FY23, CARs will only be able to provide PALs information directly into ACRES.

For detailed instructions on how to report PALs in ACRES, please see the quick reference guide at <https://www.epa.gov/brownfields/brownfields-grantee-reporting-using-assessment-cleanup-and-redevelopment-exchange>.

B. Semi-Annual Performance Reporting Requirements: CAR agrees to provide performance reports semi-annually. The reports will be due no later than 30 calendar days after the reporting period.

1. All interim and final progress reports must prominently display the following three relevant Essential Elements as reflected in the current EPA strategic plan:

- a) Strategic Plan Goal 6: Safeguard and Revitalize Communities

- b) Strategic Plan Objective 6.1: Clean Up and Restore Land for Productive Uses and Healthy Communities

- c) Work plan Commitments and Timeframes: See work plan for specifics.

2. The CAR will report on milestones, activities, and outputs achieved under this agreement. Examples of items to include:

- a) The completion of significant site planning, assessment, cleanup, or redevelopment activities,



including any relevant information regarding whether such activities anticipated or otherwise considered the impacts of climate change and/or benefited a community with environmental justice concerns. [The EPA describes environmental justice (“EJ”) as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations, and policies. For example, an “underserved community” refers to a community with environmental justice concerns and/or vulnerable populations, including low-income citizens, communities of color, and tribal and Indigenous peoples.];

b) Information regarding significant outreach, meeting, or training events, including whether such outreach engaged communities with environmental justice concerns;

c) Significant updates to a website or tracking system or improvements to the process;

d) For site-specific work, details such as where and when the activity was conducted and why, who was involved or impacted, and what was accomplished, including whether site-specific work anticipated or otherwise considered the impacts of climate change and/or benefited a community with environmental justice concerns. The narrative may range in length between a paragraph and one page in length for a specific site. Provide before and after photos of site work and photos of events, unless the site assessment report already has been provided to EPA as a deliverable.

e) A budget summary table which may include the following information: current approved project budget; costs incurred during the reporting quarter; costs incurred to date (cumulative expenditures); and total remaining funds.

3. All CARs must report information relating to establishing and maintaining the public record described in paragraph II above and provide the date of the last update. (NOTE: For this requirement, CARs can refer to their already existing public record, such as a website or other public database).

4. CARs with work plans that include funding for other site-related activities must include a description of the activities and provide the number of sites at which the activities were conducted. For example:

a) Number and frequency of oversight reviews (internal audits) of licensed site professional certified cleanups.

b) Number and frequency of state/tribal oversight reviews (internal audits) conducted.

c) Number of sites where staff conducted reviews (internal audits), provided technical assistance, or conducted other oversight activities.

d) Number of staff conducting oversight reviews (internal audits), providing technical assistance, or conducting other oversight activities.

C. **Significant Developments:** As required by 2 CFR 200.329(e), the CAR must inform EPA and report on significant impacts to grant-supported activities when they occur between the scheduled reporting dates. Significant developments to report may include problems or delays (such as staff vacancies or travel restrictions) as well as favorable developments or successes associated with milestones and activities as listed under section VII.B above.

D. **Reporting Requirements Related to Site Assessment and Cleanup Work:** The CARs must report on interim progress (e.g., assessment started) and any final accomplishments (e.g., assessment completed, cleanup required, contaminants, Institutional Controls, Engineering Controls) by submitting information into the Brownfields online reporting system, known as the Assessment, Cleanup and Redevelopment Exchange System ("ACRES"). The CAR must enter this data into ACRES within 30 days of the end of the next reporting period or sooner at EPA's request. EPA will provide the CARs with training, which is required to obtain access to ACRES.

E. **Final Report:** The CAR must submit a final performance report at the end of the period of performance in order to finalize the closeout of the grant. This final report must capture the work that was performed during the period of performance, explain how the funding was utilized, and may include a summary of activities as is listed under VI.B. above. The final report is due within 120 days of the end of the period of performance and, with approval from the EPA Project Officer, may be submitted in lieu of a final quarterly or semi-annual report.

**F. Updating the State Brownfields and Voluntary Response Programs Report in ACRES**

State CARs must update their state response program information in ACRES at least once a year (and may update more frequently if changes in their response program warrant an additional update), so that EPA has accurate, up-to-date information to share with the public in the form of a State Brownfields and Voluntary Response Program Report. EPA expects that this annual update will occur when states are already in the ACRES database performing other required ACRES reporting, thereby reducing the administrative burden.

For detailed instructions on how to update your state brownfields information in ACRES, please see the quick reference guide at <https://www.epa.gov/brownfields/brownfields-grantee-reporting-using-assessment-cleanup-and-redevelopment-exchange>.

**G. This is an interim term and condition for management of funding provided under the IIJA. EPA's Award Official or Grants Management Officer may amend this agreement to specify additional requirements applicable to IIJA funding as information becomes available. In the interim, the recipient agrees to have financial management and programmatic management systems in place to:**

- a. Track and report on expenditures of IIJA funds.**
- b. Track and report outputs and outcomes achieved with IIJA funds.**

**VIII. General Federal Requirements:** The CAR must comply with federal cross-cutting requirements. These requirements include, but are not limited to, minority business enterprise (MBE)/women's business enterprise (WBE) requirements found at 40 CFR Part 33; nondiscrimination statutes, including Title VI of the Civil Rights Act of 1964, and EPA's implementing regulations found at 40 C.F.R. Parts 5 and 7; OSHA Worker Health & Safety Standards in 29 CFR 1910.120; the Uniform Relocation Act; National Historic Preservation Act; Endangered Species Act; Permits required by Section 404 of the Clean Water Act; Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR 60-4; Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333); the Anti-Kickback Act (40 USC 276c); and Section 504 of the Rehabilitation Act of 1973, as implemented by Executive Orders 11914 and 11250. EPA provides additional information on cross-cutting requirements in [EPA Subaward Cross Cutter Requirements](#).

**IX. Program Income:** In accordance with 2 CFR 1500.8, the CAR is authorized to add program income generated under this agreement to the funds committed by EPA. The CAR can use this program income to carry out activities described in the scope of work for this agreement and under the same terms and conditions of the agreement. *Program income* is defined generally at 2 CFR 200.1. For the purposes of this agreement, program income includes fees charged participants in the CAR's voluntary cleanup program or other fees for services (only to the extent that these fees recover costs charged to this agreement). Costs the CAR recovers for cleanups and site assessments are program income to the same extent that the recovered costs represent costs charged to this agreement. The CAR must provide as part of its semi-annual performance report, a description of how program income is being used. In addition, a report on the amount of program income earned during the award period must be submitted with the Semi-annual Federal Financial Report, Standard Form 425.

The CAR will maintain records adequate to document the extent to which transactions generate program income and the

disposition of program income. As required by 2 CFR 200.305(b)(5), tribal CARs will disburse program income before requesting additional payments under this agreement. State CARs are subject to 2 CFR 200.305(a).

## **X. Quality Assurance**

Authority: Quality Assurance applies to all assistance agreements involving environmental information (including environmental data collection, production, or use) as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The CAR shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The CAR shall ensure sub-award recipients develop and implement Quality Assurance ("QA") planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **A. QUALITY MANAGEMENT PLAN ("QMP")**

1. Prior to beginning environmental information operations, the CAR must:

- a. Submit a previously EPA-approved and current QMP,
- b. The EPA Quality Assurance Manager or designee (hereafter referred to as "QAM") will notify the CAR and EPA Project Officer ("PO") in writing if the QMP is acceptable for this agreement.

2. The QMP must be submitted to the EPA Project Officer within 90 days after grant award, and/or no more than 180 days after grant award

3. The CAR must review their approved QMP at least annually. The results of the QMP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur.

### **B. QUALITY ASSURANCE PROJECT PLAN ("QAPP")**

1. Prior to beginning environmental information operations, the CAR must:

- a. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).

b. The EPA Quality Assurance Manager or designee (hereafter referred to as "QAM") will notify the CAR and EPA Project Officer ("PO") in writing if the previously EPA-approved QAPP is acceptable for this agreement.

**For Reference:**

- [EPA QA/R-2: EPA Requirements for Quality Management Plans](#) and [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#), Appendix C provides a QAPP Checklist.
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- [EPA's Quality Program website has a list of QA managers, and Quality Specifications for non-EPA Organizations to do business with EPA.](#)
- [The Office of Grants and Debarment Quality Assurance Requirements.](#)

XI. **Competency of Organizations Generating Environmental Measurement Data:** In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, CAR agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the CAR agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The CAR shall maintain competency for the duration of the agreement's period of performance, and this will be documented during the annual reporting process. A copy of the Policy is available online at [http://www.epa.gov/fem/lab\\_comp.htm](http://www.epa.gov/fem/lab_comp.htm), or a copy may also be requested by contacting the EPA project officer for this award.

XII. **Geospatial Data Standards:** All geospatial data created must be consistent with Federal Geographic Data Committee ("FGDC") endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

XIII. **Cybersecurity Grant Condition**

A. The CAR agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.


B. (1) EPA must ensure that any connections between the CAR's network or information system and EPA networks used by the CAR to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the CAR's connections, as defined above, do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the CAR agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the CAR into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The CAR agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The CAR will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the CAR under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the CAR to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>		GRANT NUMBER (FAIN): 00E03300	DATE OF AWARD
			MODIFICATION NUMBER: 1	09/23/2023
			PROGRAM CODE: 4W	
			TYPE OF ACTION Revision: Scope & Increase	MAILING DATE 09/27/2023
			PAYMENT METHOD: ASAP	ACH# 50183
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST
Jeron Schultz 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: jeron.schultz@illinois.gov Phone: 217-558-2564		Keary Cragan 77 W. Jackson Blvd., SM-5J Chicago, IL 60604 Email: cragan.keary@epa.gov Phone: 312-353-5669		Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Houston-Williams.Kimberly@epa.gov Phone: 312-353-7928
PROJECT TITLE AND EXPLANATION OF CHANGES Illinois EPA FY23/24 Brownfield 128(a) BIL Program See Attachment 1 for project description.				
BUDGET PERIOD 10/01/2022 - 09/30/2025	PROJECT PERIOD 10/01/2022 - 09/30/2025	TOTAL BUDGET PERIOD COST \$1,936,195.00	TOTAL PROJECT PERIOD COST \$1,936,195.00	
<p style="text-align: center;"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 04/28/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$822,194.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,936,194.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Land, Chemicals and Redevelopment Division R5 - Region 5 77 West Jackson Blvd., L-17J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				DATE 09/23/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$1,114,000	\$822,194	\$1,936,194
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$1,114,000	\$822,194	\$1,936,194

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.817 - State and Tribal Response Program Grants	CERCLA: Sec. 128(a) & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$194,194
2. Fringe Benefits	\$191,589
3. Travel	\$16,157
4. Equipment	\$341,250
5. Supplies	\$1,200
6. Contractual	\$1,027,222
7. Construction	\$0
8. Other	\$68,780
9. Total Direct Charges	\$1,840,392
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$95,803
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$1,936,195
12. Total Approved Assistance Amount	\$1,936,195
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$822,194
15. Total EPA Amount Awarded To Date	\$1,936,194

SUMMARY OF INDIRECT COST RATE

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carry Carryforward	\$0
2. 7/1/22-6/30/23 @43.06%	\$0
3. 7/1/23-6/30/24 @42.12%	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

### **Attachment 1 - Project Description**

The primary objectives of EPA's CERCLA Section 128(a) State and Tribal Response Program grants are to provide financial support to States, US Territories, and Tribal Nations to (1) establish or enhance the four statutory elements of an effective state or Tribal response program, as specified in CERCLA Section 128(a)(2), (2) maintain and update, at least annually, a public record of sites, pursuant to CERCLA § 128(b), that includes the name and location of sites at which response actions have been completed during the previous year and the name and location of sites at which response actions are planned to be addressed in the next year, and (3) conduct a limited number of brownfield site assessments or cleanups that will help establish or enhance the state response program. The Infrastructure Investment and Jobs Act ("IIJA") provided additional funding to carry out the Section 128(a) grant program. The purpose of this award is to enhance the capacity of Illinois Environmental Protection Agency's (Illinois EPA's) brownfields response program to meet the Section 128(a) elements. Illinois EPA will oversee and perform planning, assessment, and cleanup of brownfields sites throughout the state of Illinois.

This Supplemental amendment obligates federal funding in the amount of \$822,194.00 and increases total project costs to \$1,936,195.00. The supplemental funding supports the elements of an effective state or tribal response program, as specified in CERCLA Section 128, and to ensure that states and tribes maintain a public record of sites included in their programs. The Infrastructure Investment and Jobs Act ("IIJA") provided additional funding to carry out the Section 128(a) grant program. The purpose of this award is to enhance the capacity of The State of Illinois' brownfields response program to meet the Section 128(a) elements. Illinois Environmental Protection Agency will oversee and perform planning, assessment, and cleanup of brownfields sites throughout the State of Illinois. Fiscal year 23/24 funds are being added to the original cooperative agreement, in addition to an extension of the project and budget periods.

The revised workplan activities are in accordance with CERCLA: Sec. 128(a) & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58) guidelines.

### **Administrative Conditions**

**THE FOLLOWING TERM AND CONDITON HAS BEEN UPDATED:**

#### **Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Kimberly Houston houston-williams.kimberly@epa.gov**

·MBE/WBE reports (EPA Form 5700-52A):**region5closeouts@epa.gov**

·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **cragan.keary@epa.gov and houston-williams.kimberly@epa.gov**

·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Keary Cragan cragan.keary@epa.gov**

**ALL OTHER ADMINISTRATIVE TERMS AND CONDITIONS REMAIN UNCHANGED.**

### **Programmatic Conditions**

**CERCLA SECTION 128(a) STATE AND TRIBAL RESPONSE PROGRAM**

**FY23 INFRASTRUCTURE INVESTMENT AND JOBS ACT (“IIJA”) FUNDING**

**GRANT-SPECIFIC PROGRAMMATIC**

#### **TERMS AND CONDITIONS**

Due to the budget accounting, tracking, and reporting requirements for the Infrastructure Investment and Jobs Act (“IIJA”) funding, Section 128(a) cooperative agreements funded with IIJA money must be awarded separately from Section 128(a) cooperative agreements with annual appropriated funds. In the same vein, Section 128(a) IIJA funds are not eligible to be included in Performance Partnership Grants (“PPGs”) under 40 CFR Part 35 Subparts A and B. This restriction is intended to ensure that Section 128 Cooperative Agreement Recipients (“CARs”) can effectively track, account for, and report on the use of IIJA funding.

If a CAR has two FY23 Section 128(a) Cooperative Agreements (one with annual appropriated funds and one with IIJA funds), the two awards must clearly delineate

**what activities will utilize annual appropriation funds versus IJA funds. CARs must work closely with EPA Project Officers to ensure that there is no duplication of work funded by the two sources of funding.**

**I. Response Program Elements:** Throughout the duration of this agreement the CAR must remain a party to the Voluntary Response Program Memorandum of Agreement with EPA, dated 4/6//1996.

**II. Substantial Involvement:** This is a cooperative agreement that will entail substantial involvement by EPA to the extent Agency resources permit. Substantial EPA involvement includes:

A. Consultation and collaboration on technical and policy matters at the CAR's request. EPA's Project Officer or designee may provide data, advice, and information that will help the CAR carry out the agreement effectively;

B. EPA's Project Officer may review the substantive terms of professional services contracts or subawards the CAR enters into to carry out specific elements of the scope of work. Neither EPA's Project Officer nor any other EPA employee will direct, recommend, or suggest that the CAR enter into a contract or subaward with a specific entity. EPA approval is not required for contracts for supplies, equipment, information technology and other administrative support services;

C. EPA's Project Officer may review the qualifications of key staff hired by the CAR or consultants with whom the CAR contracts to carry out specific elements of the scope of work when those staff or contractors are paid by the grant funds. Neither EPA's Project Officer nor any other EPA employee will direct, recommend, or suggest that the CAR hire a particular individual or enter into a consulting contract with a specific entity;

D. Monitoring by EPA of the CAR's performance under the agreement;

**III. Public Record System:** The CAR must establish a public record system pursuant to CERCLA Section 128(b)(1)(C). The public record must be maintained and updated at least annually and include the requirements listed below.

A. For sites where response actions were completed in the previous grant project year, include the following:

1. Date the response action was completed;
2. Site name, name of owner at time of cleanup, and type of site (e.g., petroleum, methamphetamine laboratory, mine scarred lands);
3. Location of the site (street address, latitude and longitude);
4. Explanation of whether or not the site will be suitable for unrestricted use upon completion of the response action. If not, the public record must identify and describe the institutional control(s) in place or relied on for the remedy (e.g., deed restriction);



5. Nature of the contamination at the site (e.g., hazardous substances, contaminants, pollutants, petroleum contamination, etc.); and

6. Size of the site in acres.

B. A list of sites planned to be addressed in the next year by the state or tribal response program including:

1. Site name, name of owner at time of cleanup, and type of site (e.g., petroleum, methamphetamine laboratory, mine scarred lands);

2. Location of the site (street address, latitude and longitude);

3. To the extent known, whether an institutional control is in place. If so, describe the type of institutional control in place (e.g., deed restriction);

4. To the extent known, the nature of the contamination at the site (e.g., hazardous substances, contaminants, pollutants, petroleum contamination, etc.); and

5. Size of the site in acres.

C. Once a public record is established in a manner consistent with CERCLA Section 128(b)(1)(C), CARs must maintain the public record throughout the duration of this agreement.

#### **IV. Site-Specific Assessment and Cleanup Activities:**

A. Consistent with CERCLA Section 128(a)(2)(C)(iii), EPA guidance, and to the extent authorized by the scope of work for this agreement, the CAR may conduct assessments or cleanups at sites that meet the definition of a "brownfield" site as defined at CERCLA Section 101(39) in response to a request by a person who is or may be affected by a release or threatened release of a hazardous substance, pollutant, contaminant, or petroleum at a brownfield located in the community in which the person works or resides. Assessments and cleanups must comply with all applicable laws and are subject to the following restrictions:

1. Absent approval by EPA's Project Officer, no more than \$250,000 per site can be funded for assessments, and no more than \$250,000 per brownfield site can be funded for cleanups.

2. Absent approval by EPA's Project Officer, the CAR may not use funds awarded under this agreement to assess and/or cleanup brownfields owned by the CAR or held in trust by the United States Government for the CAR.

3. Assessments and cleanups may not be conducted at brownfields where the CAR is a potentially responsible party ("PRP") pursuant to CERCLA Section 107, except when the CAR acquired the property before January 11, 2002, and has not caused or contributed to a release or threatened release of a hazardous substance at the property.\

4. The CAR must produce and maintain in their records a site-specific community involvement plan and site-specific cleanup plan, which includes an abbreviated analysis of

cleanup alternatives.

a) The documents' detail and length should be commensurate with the complexity of the proposed cleanup action (i.e., the larger and more complex the cleanup, the more detailed the community involvement plan and cleanup plan, while small cleanups may have a shorter, simpler set of documents).

b) If the CAR's environmental response program produces equivalent documentation in its regular course of business that satisfy this requirement, duplicative documentation is not required.

c) These documents do not require EPA approval but must be made available if the EPA Project Officer, or members of the community, requests them.

d) CARS can ask their EPA Project Officers for examples of a site-specific community involvement plan or site-specific cleanup plan. For more information, CARs can also review the [Brownfields Roadmap](#) and [Cleaning Up Brownfield Sites](#) factsheet.

5. The CAR agrees to clearly reference EPA investments in site-specific activities outlined in the CAR's EPA-approved workplan during all phases of community outreach.

a) If any documents, fact sheets, and/or web materials are developed as part of this cooperative agreement, then they shall comply with the *Acknowledgement Requirements for Non-ORD Assistance Agreements* in the General Terms and Conditions of this agreement.

b) If a sign is developed as part of a project funded by this cooperative agreement, then the sign shall include either a statement (e.g., this project has been funded, wholly or in part, by EPA) and/or EPA's logo acknowledging that EPA is a source of funding for the project. The EPA logo may be used on project signage when the sign can be placed in a visible location with a direct linkage to site activities. Use of the EPA logo must follow the sign specifications available at <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>.

B. Consistent with CERCLA Section 128(a)(2)(B)(ii), and to the extent authorized by the scope of work for this agreement, the CAR may use funds awarded under this agreement to complete the necessary response activities, including assessments and cleanups, if the person conducting a response action overseen by the CAR fails to complete the necessary response activities, including operation and maintenance or long-term monitoring activities. Assessments and cleanups under this provision must comply with all applicable laws and are subject to the following restrictions:

1. Absent approval by EPA's Project Officer, the CAR may not use funds awarded under this agreement to assess and cleanup sites owned by the CAR.

2. The CAR may not use funds awarded under this agreement to assess or cleanup sites for which the CAR is a potentially responsible party (pursuant to CERCLA Section 107), with the exception of sites contaminated by a controlled substance as defined in CERCLA Section 101(39)(D)(ii)(I).

C. For the site-specific activities under paragraphs III.A. and III.B., the CAR must maintain documentation supporting the CAR's conclusion that the site meets the brownfield definition in CERCLA Section 101(39). For those sites which are excluded from the brownfield definition, pursuant to CERCLA Section 101(39)(B), but are eligible for a property-specific funding determination pursuant to CERCLA Section 101(39)(C), the CAR must comply with paragraph V below. NOTE: To the extent authorized in the scope of work for this agreement, the CAR may conduct oversight of cleanups at sites other than brownfields. Records must be maintained per 2 CFR 200.334.

D. For site-specific activities at petroleum-only brownfields sites (CERCLA Section 101(39)(D)(ii)(II)), the requirements listed below apply.

1. The CAR must determine and maintain supporting documentation that:

- a) There is no viable responsible party for the site;
- b) The site will not be assessed, investigated, or cleaned up by a person that is potentially liable for cleaning up the site; and
- c) The site is not subject to any order issued under Section 9003(h) of the Solid Waste Disposal Act.

2. The supporting documentation must identify the state official who made the determinations identified in D.1., the date the CAR obtained the determinations, and a summary of each conclusion.

CARs are encouraged to reach out to their EPA regional brownfields contacts with questions on petroleum brownfield site eligibility and where to get additional information. Also check out resources on EPA's Brownfields website, such as [Community Visions for Abandoned Gas Stations](#) and [EPA's Petroleum Contact List for Tribes](#) and EPA's Office of Underground Storage Tank's ("OUST's") [Petroleum Brownfields webpage](#).

**E. Site-specific Activity Funding Limit:** The amount requested for site-specific assessments and cleanups **may not exceed 75%** of the total amount of Section 128(a) funding awarded to the CAR during FY 2023. This 75% cap includes the total funding that the CAR received from both the FY23 Section 128(a) Annual Appropriation funds and FY23 Section 128(a) IIJA funds. *[Note: Oversight of assessment and cleanup activities performed by responsible parties (other than the state or tribe) does not count toward the 75% limit. The 75% cap also does not include personnel or supplies/equipment purchased in support of site-specific work.]*

A CAR may submit to the EPA Project Officer a written request for a waiver to exceed the 75% of annual funding for site-specific activities, as described under Section III A-D. The EPA Project Officer will review the waiver request and make a recommendation to EPA's Office of Brownfields and Land Revitalization, who will determine if the requested waiver is approved. The EPA Project Officer will notify the CAR of EPA's determination.

The CAR's written waiver request submitted to the EPA Project Officer must include a brief

justification describing the reason(s) for spending more than 75% of their FY23 total annual appropriation and IJJA allocation on site-specific activities and must include the following information:

1. Provide the percentage of the eligible brownfield site-specific activities (assuming waiver is approved) in the CAR's total FY23 budget;
2. List all site-specific activities that will be covered by this funding. If known, provide site-specific information and a description of how work on each site contributes to the establishment or enhancement of your state/tribal response program. EPA encourages states and tribes to use site-specific funding to perform assessment and cleanup activities that will expedite the reuse and redevelopment of sites, and prioritize sites based on need. Further explain how the community will be (or has been) involved in prioritization of site work and especially those sites where there is a potential or known significant environmental impact to the community;
3. Explain how this shift in funding will not negatively impact the core programmatic capacity (i.e., the ability to establish/enhance the four elements of a response program) and how it will be maintained in spite of an increase in site-specific work. Grantees must demonstrate that they have adequate funding from other sources to effectively carry out work on the four elements for EPA to grant a waiver of the 75% limit on using 128(a) funds for site-specific activities;
4. Describe how this shift in funding towards site-specific work is appropriate for your response program; and
5. Explain whether the sites to be addressed are those for which the affected community/ies has/have requested work be conducted.

## **V. Property-Specific Funding Determinations:**

A. If a CAR plans to use funds for site-specific activities at a site that is excluded from the definition of a brownfield in CERCLA Section 101(39)(A) and (B) but is eligible for a property-specific funding determination, then the CAR must provide information sufficient for EPA's Regional Approval Official, as delegated by Delegation 14-44 and 14-45, to make a property-specific funding determination. Sites eligible for property-specific funding are defined in CERCLA Section 101(39)(C). The CAR must comply with the following requirements:

1. The CAR must not incur any site-specific costs for those sites which require a property-specific funding determination under this agreement (other than those necessary to provide information to EPA) until EPA's Approval Official makes a property-specific funding determination.
2. The CAR must submit to EPA's Project Officer a written request for a property-specific funding determination. The request must include information about the site (e.g., name, location, owners) and explain how the financial assistance will:

- a) Protect human health and the environment, and
- b) Either promote economic development or enable the creation of, preservation of, or addition to parks, greenways, undeveloped property, other recreational property or other property used for nonprofit purposes.

B. Any property-specific funding determination granted by EPA does not obviate the CAR's responsibility to incur only costs that meet the terms and conditions of the agreement and are allowable under 2 CFR Parts 200 and 1500 for governmental entities.

**VI. Institutional Controls:** To the extent authorized by the scope of work for this agreement, the CAR may use funding under this agreement to maintain and monitor institutional controls.

## **VII. Investing in America Signage Required Term and Condition (Updated May 11, 2023)**

### **A. Signage Requirements**

1. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at:  
<https://www.epa.gov/invest/investing-america-signage>.

2. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

### **B. Public or Media Events**

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## **VIII. Grant Performance Reporting Requirements:**

#### **A. Performance Reporting Requirements for Program Activity Levels (“PALs”)**

CARs must report Program Activity Levels (“PALs”) **once** annually when the Section 128(a) funding request is due to the appropriate EPA Regional Office in mid-December. PALs summarize the work from the previous federal fiscal year, therefore, CAR’s *responses to the PALs questions should reflect activities for the period covering the last federal fiscal year (October 1 – September 30)*, including:

1. Environmental programs where CERCLA 128(a) funds are used to support capacity building [general program support, non-site-specific work]. Specify which programs were supported with 128(a) funds from the following: Brownfields, Underground Storage Tanks/Leaking Underground Storage Tanks, Federal Facilities, Solid Waste Superfund, Hazardous Waste Facilities, VCP (Voluntary Cleanup Program, Independent Cleanup Program, etc.), and Other;
2. Number of properties (or sites) enrolled in a response program during previous federal fiscal year;
3. Number of properties (or sites) where documentation indicates that cleanup work is complete AND either (a) all required institutional controls (IC’s) are in place, or (b) the cleanup does not require ICs;
4. Total number of acres associated with properties (or sites) in the previous question (Question #3);
5. OPTIONAL: Number of properties (or sites) where assistance was provided, but the property was not enrolled in a response program;
6. Date that the public record was last updated;
7. Number of audits/inspections/reviews/other conducted to ensure engineering controls and institutional controls are still protective; and
8. Did you develop or revise legislation, regulations, codes, guidance documents or policies related to establishing or enhancing your Voluntary Cleanup Program/Response Program during FY22? If yes, please indicate the type and whether it was new or revised.

**Beginning in FY23, CARs will only be able to provide PALs information directly into EPA’s Assessment, Cleanup and Redevelopment Exchange System (“ACRES”) database.**

**For detailed instructions on how to report PALs in ACRES, please see the quick reference guide at <https://www.epa.gov/brownfields/brownfields-grantee-reporting-using-assessment-cleanup-and-redevelopment-exchange>. For technical support, contact 703-284-8212 or email [acres\\_help@epa.gov](mailto:acres_help@epa.gov). For questions specific to your grant data, contact your EPA Regional Representative.**

**B. Semi-Annual Performance Reporting Requirements:** CAR agrees to provide semi-annual performance reports. The reports will be due no later than 30 calendar days after the



reporting period.

1. All interim and final progress reports must prominently display the following three relevant Essential Elements as reflected in the current EPA strategic plan:

a) Strategic Plan Goal 6: Safeguard and Revitalize Communities

b) Strategic Plan Objective 6.1: Clean Up and Restore Land for Productive Uses and Healthy Communities

c) Work plan Commitments and Timeframes: See work plan for specifics.

2. The CAR will report on milestones, activities, and outputs achieved under this agreement. Examples of items to include:

a) The completion of significant site planning, assessment, cleanup, or redevelopment activities, including any relevant information regarding whether such activities anticipated or otherwise considered the impacts of climate change and/or benefited a community with environmental justice concerns. [The EPA describes environmental justice (“EJ”) as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations, and policies. For example, an “underserved community” refers to a community with environmental justice concerns and/or vulnerable populations, including low-income citizens, communities of color, and tribal and Indigenous peoples.];

b) Information regarding significant outreach, meeting, or training events, including whether such outreach engaged communities with environmental justice concerns;

c) Significant updates to a website or tracking system or improvements to the process;

d) For site-specific work, details such as where and when the activity was conducted and why, who was involved or impacted, and what was accomplished, including whether site-specific work anticipated or otherwise considered the impacts of climate change and/or benefited a community with environmental justice concerns. The narrative may range in length between a paragraph and one page in length for a specific site. Provide before and after photos of site work and photos of events, unless the site assessment report already has been provided to EPA as a deliverable.

e) A budget summary table which may include the following information: current approved project budget; costs incurred during the reporting quarter; costs incurred to date (cumulative expenditures); and total remaining funds.

3. All CARs must report information relating to establishing and maintaining the public record described in paragraph II above and provide the date of the last update. (NOTE: For this requirement, CARs can refer to their already existing public record, such as a website or other public database).

4. CARs with work plans that include funding for other site-related activities must include a description of the activities and provide the number of sites at which the activities were

conducted. For example:

- a) Number and frequency of oversight reviews (internal audits) of licensed site professional certified cleanups.
- b) Number and frequency of state/tribal oversight reviews (internal audits) conducted.
- c) Number of sites where staff conducted reviews (internal audits), provided technical assistance, or conducted other oversight activities.
- d) Number of staff conducting oversight reviews (internal audits), providing technical assistance, or conducting other oversight activities.

**C. Significant Developments:** As required by 2 CFR 200.329(e), the CAR must inform EPA and report on significant impacts to grant-supported activities when they occur between the scheduled reporting dates. Significant developments to report may include problems or delays (such as staff vacancies or travel restrictions) as well as favorable developments or successes associated with milestones and activities as listed under section VII.B above.

**D. Reporting Requirements Related to Site Assessment and Cleanup Work:** The CARs must report on interim progress (e.g., assessment started) and any final accomplishments (e.g., assessment completed, cleanup required, contaminants, Institutional Controls, Engineering Controls) by submitting information into the Brownfields online reporting system, known as the Assessment, Cleanup and Redevelopment Exchange System ("ACRES"). The CAR must enter this data into ACRES within 30 days of the end of the next reporting period or sooner at EPA's request. EPA will provide the CARs with training, which

**E. Final Report:** The CAR must submit a final performance report at the end of the period of performance in order to finalize the closeout of the grant. This final report must capture the work that was performed during the period of performance, explain how the funding was utilized, and may include a summary of activities as is listed under VI.B. above. The final report is due within 120 days of the end of the period of performance and, with approval from the EPA Project Officer, may be submitted in lieu of a final quarterly or semi-annual report.

#### **F. Updating the State Brownfields and Voluntary Response Programs Report in ACRES**

State CARs must update their state response program information in ACRES at least once a year (and may update more frequently if changes in their response program warrant an additional update), so that EPA has accurate, up-to-date information to share with the public in the form of a State Brownfields and Voluntary Response Program Report. EPA expects that this annual update will occur when states are already in the ACRES database performing other required ACRES reporting, thereby reducing the administrative burden.

For detailed instructions on how to update your state brownfields information in ACRES, please see the quick reference guide at <https://www.epa.gov/brownfields/brownfields-grantee-reporting-using-assessment-cleanup-and-redevelopment-exchange>.

**IX. General Federal Requirements:** The CAR must comply with federal cross-cutting requirements. These requirements include, but are not limited to, EPA's disadvantaged business enterprise requirements found at 40 CFR Part 33; nondiscrimination statutes, including Title VI of the Civil Rights Act of 1964, and EPA's implementing regulations found at 40 C.F.R. Parts 5 and 7; OSHA Worker Health & Safety Standards in 29 CFR 1910.120; the Uniform Relocation Act; National Historic Preservation Act; Endangered Species Act; Permits required by Section 404 of the Clean Water Act; Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR 60-4; Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333); the Anti-Kickback Act (40 USC 276c); and Section 504 of the Rehabilitation Act of 1973, as implemented by Executive Orders 11914 and 11250. **EPA provides additional information on cross-cutting requirements in EPA Subaward Cross Cutter Requirements.**

**X. Program Income:** In accordance with 2 CFR 1500.8, the CAR is authorized to add program income generated under this agreement to the funds committed by EPA. The CAR can use this program income to carry out activities described in the scope of work for this agreement and under the same terms and conditions of the agreement. *Program income* is defined generally at 2 CFR 200.1. For the purposes of this agreement, program income includes fees paid by participants in the CAR's voluntary cleanup program or other fees for services (only to the extent that these fees recover costs charged to this agreement). Costs the CAR recovers for cleanups and site assessments are program income to the same extent that the recovered costs represent costs charged to this agreement. The CAR must provide as part of its semi-annual and final performance report, a description of how program income is being used. In addition, a report on the amount of program income earned during the award period must be submitted with the Annual and Final Federal Financial Report, Standard Form 425.

The CAR will maintain records adequate to document the extent to which transactions generate program income and the disposition of program income. As required by 2 CFR 200.305(b)(5), tribal CARs will disburse program income before requesting additional payments under this agreement. State CARs are subject to 2 CFR 200.305(a).

## **XI. Quality Assurance**

Authority: Quality Assurance applies to all assistance agreements involving environmental information (including environmental data collection, production, or use) as defined in [2.CFR § 1500.12](#), Quality Assurance.

The CAR shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The CAR shall ensure sub-award recipients develop and implement **[a/the]** Quality Assurance ("QA") planning document**[s]** in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **A. QUALITY ASSURANCE PROJECT PLAN ("QAPP")**

1. Prior to beginning environmental information operations, the CAR must:

- a. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
- b. The QAM will notify the CAR and EPA PO in writing if the previously EPA-approved QAPP is acceptable for this agreement.

**For Reference:**

- \* **Quality Management Plan (QMP) Standard (Directive No: CIO 2105-S-01.0) and EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans**; contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- \* **EPA QA/G-5: Guidance for Quality Assurance Project Plans**, Appendix C provides a QAPP Checklist.
- \* **EPA's Quality Program website has a list of QA managers, and Quality Specifications for non-EPA Organizations to do business with EPA.**
- \* **The Office of Grants and Debarment Quality Assurance Requirements.**

**XII. Competency of Organizations Generating Environmental Measurement Data:** In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, CAR agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the CAR agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The CAR shall maintain competency for the duration of the agreement's period of performance, and this will be documented during the annual reporting process. A copy of the Policy is available online at [http://www.epa.gov/fem/lab\\_comp.htm](http://www.epa.gov/fem/lab_comp.htm), or a copy may also be requested by contacting the EPA project officer for this award.

**XIII. Geospatial Data Standards:** All geospatial data created must be consistent with Federal Geographic Data Committee ("FGDC") endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

**XIV. Cybersecurity Grant Condition**

- A. The CAR agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.
- B. (1) EPA must ensure that any connections between the CAR's network or information system and EPA networks used by the CAR to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface


between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the CAR's connections, as defined above, do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the CAR agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the CAR into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The CAR agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The CAR will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the CAR under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the CAR to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.



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	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		GRANT NUMBER (FAIN): 00E03480	DATE OF AWARD
			MODIFICATION NUMBER: 0	08/14/2023
			PROGRAM CODE: 4Z	
			TYPE OF ACTION New	MAILING DATE 08/17/2023
			PAYMENT METHOD: ASAP	ACH# 50183
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT:			PAYEE:	
Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-0000 EIN: 01-0572642			Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794	
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST
Valerie Davis 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794 Email: valerie.a.davis@illinois.gov Phone: 217-785-7492		Ethel Crisp 77 W. Jackson Blvd., LP-17J Chicago, IL 60604 Email: Crisp.Ethel@epa.gov Phone: 312-353-1442		Robert Young Assistance Section, MA-10J 77 W. Jackson Blvd. Chicago, IL 60604 Email: young.robert@epa.gov Phone: 312-886-6128
<b>PROJECT TITLE AND DESCRIPTION</b> Illinois EPA SWIFR Grant Program  See Attachment 1 for project description.				
BUDGET PERIOD 10/01/2023 - 09/30/2026	PROJECT PERIOD 10/01/2023 - 09/30/2026	TOTAL BUDGET PERIOD COST \$733,568.00	TOTAL PROJECT PERIOD COST \$733,568.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 05/30/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$733,568.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$733,568.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Land, Chemicals and Redevelopment Division R5 - Region 5 77 W. Jackson Blvd., LP-17J Chicago, IL 60604		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				DATE 08/14/2023



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$733,568	\$733,568
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$733,568	\$733,568

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.920 - Solid Waste Infrastructure Financing - Save Our Seas Act Grants	33 USC 4282 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$733,568
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$733,568
10. Indirect Costs: 42.12 % Base See Table B	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$733,568
12. Total Approved Assistance Amount	\$733,568
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$733,568
15. Total EPA Amount Awarded To Date	\$733,568

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carryforward Valid 7/1/23 to 6/30/24 at 42.12% Base: Direct salaries and wages	\$0
2. including applicable fringe benefits.	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

**Attachment 1 - Project Description**

EPA's Solid Waste Infrastructure for Recycling (SWIFR) grants for states and territories will fund activities that support long-term planning and data collection needs to demonstrate progress toward the National Recycling Goal and Food Loss and Waste Reduction Goal and advance a Circular Economy for materials, as well as support the state-led implementation of plans to advance post-consumer materials management. The purpose of this award is to enhance the Illinois Environmental Protection Agency's efforts to meet the SWIFR grants elements. Illinois EPA will conduct a statewide waste characterization study that identifies the annualized volume of individual materials generated in Illinois and the end-of-life handling methods of those materials by geographic region of the state. Illinois EPA will procure a contractor to conduct a comprehensive statewide generation and waste characterization study in order to develop a detailed report. Illinois EPA will utilize a combination of existing full-time employees and an outside contractor. The objective of this project is to produce a report detailing the tons of municipal solid waste generated by material type in Illinois and how those materials are handled at the end of their life. These data will be presented in terms of statewide generation and disposal, as well as county-by-county generation and disposal. The primary outcome from the use of these funds will be providing Illinois EPA with contemporary, accurate data reflecting the statewide materials generation profile. These data will enable Illinois EPA to identify specific materials streams and generation locations to target for landfill diversion efforts. Depending on the results of the waste characterization, those efforts may include regulatory amendments to afford composting facilities flexibility to accept additional food scraps or targeted uses of state funds appropriated by the General Assembly to focus on materials generated at a high rate that are otherwise recoverable given the state's existing infrastructure. Other expected outcomes include: temporary or permanent jobs created; identify viable landfill diversion options for materials generated in the state and the maximal reasonable volume of those materials that could be reasonably diverted; review and provide interpretation of State laws and regulations to ensure effective implementation of the SWIFR program; maintain effective work force to meet work plan commitments; and identify the possible volume of GHGs that could be reduced (in MTCO<sub>2</sub>e) from enhanced collection, recycling, composting, or management via other management pathways in the state. No subawards are included in this assistance agreement.

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:  
<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and **Robert Young at**  
[young.robert@epa.gov](mailto:young.robert@epa.gov)

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Ethel Crisp at** [crisp.ethel@epa.gov](mailto:crisp.ethel@epa.gov) and **Robert Young at**  
[young.robert@epa.gov](mailto:young.robert@epa.gov)

Payment requests (if applicable): **Ethel Crisp at** [crisp.ethel@epa.gov](mailto:crisp.ethel@epa.gov)

Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **[Ethel Crisp at** [crisp.ethel@epa.gov](mailto:crisp.ethel@epa.gov)

## **Programmatic Conditions**

### **Grant Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work

plan are known.

### **Performance Reports - Frequency**

**Semi-annual** performance reports are required and they are to be submitted electronically to the EPA Project Officer within 30 days after the reporting period (every six-month period). The reporting periods span from 04/01 to 10/01 respectively. The recipient must submit a final performance report no later than 120 calendar days after the end date of the period of performance.

## **B. Cybersecurity Condition**

### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to

demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

### C. Quality Assurance

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

Since the recipient has an EPA-approved Quality Management Plan and a current EPA delegation to review and approve QAPPs, ***the recipient must submit the QAPPs to EPA according to the timeframe within the current, approved QMP.***

The recipient must review their approved QMP at least annually. These documented reviews shall be made available to the sponsoring EPA organization if requested. When necessary, the recipient shall revise its QMP to incorporate minor changes and notify the EPA PO and QAM of the changes. If significant changes have been made to the Quality Program that affect the performance of environmental information operations, it may be necessary to re-submit the entire QMP for re-approval. In general, a copy of any QMP revision(s) made during the year should be submitted to the EPA PO and QAM in writing when such changes occur. Conditions requiring the revision and resubmittal of an approved QMP can be found in section 6 of EPA's [Quality Management Plan \(QMP\) Standard](#).

### D. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the MPCA received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

### E. Paperwork Reduction Act


Notwithstanding any references to collection of information in the recipient's application or proposal for EPA funding, the scope of work for this cooperative agreement does not include a survey or other information collection of identical information from 10 or more parties. No EPA funds (directly paid by EPA or from the recipient's cost share) may be used for the design or administration of such an information collection, and EPA personnel may not participate in such activities. Reasonable costs for analyzing independently collected information and publishing the results of such information collections are allowable to the extent authorized in the EPA approved budget for this agreement.



**F. Substantial Involvement**

EPA will be substantially involved in this agreement. Substantial involvement by the EPA Project Officer may include (but is not limited to):

- 1.) monthly or quarterly telephone calls and other monitoring (or meeting on an alternate schedule suggested by EPA's Project Officer),
- 2.) reviewing project phases and providing approval to continue to the next phase,
- 3.) reviewing and commenting on any documents, web content, or other materials developed under this agreement (the recipient will make final decisions on these matters),
- 4.) approving substantive terms included in contracts or subawards (EPA's Project Officer will not suggest, recommend or direct the recipient to select any particular contractor or subrecipient except to the extent permitted in Section 10 of EPA's Subaward Policy).
- 5.) reviewing and commenting on the programmatic progress reports
- 6.) Consultation with EPA regarding the selection of key personnel (EPA's involvement is limited to reviewing the technical qualifications of key personnel and the recipient will make the final decisions on selection. EPA's Project Officer will not suggest, recommend or direct the recipient to select any individual).
- 7.) Joint operational involvement, participation, and/or collaboration between EPA and the recipient. EPA's Project Officer or designee may provide data, advice, and information that will help the grantee carry out the agreement effectively.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	<b>GRANT NUMBER (FAIN):</b> 00E03530 <b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> 48		<b>DATE OF AWARD</b> 01/25/2024
		<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 01/30/2024
		<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
		<b>RECIPIENT TYPE:</b> State		
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b> Gary Bingenheimer 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: gary.bingenheimer@illinois.gov Phone: 217-785-3492		<b>EPA PROJECT OFFICER</b> Patrick Gilvary 77 W. Jackson Blvd., WS-15J Chicago, IL 60604 Email: Gilvary.Patrick@epa.gov Phone: 312-886-0172		<b>EPA GRANT SPECIALIST</b> Robert Young Assistance Section, MA-10J 77 W. Jackson Blvd. Chicago, IL 60604 Email: young.robert@epa.gov Phone: 312-886-6128
<b>PROJECT TITLE AND DESCRIPTION</b> IL FY22/23 BIL EC SDC See Attachment 1 for project description.				
<b>BUDGET PERIOD</b> 01/01/2024 - 12/31/2028		<b>PROJECT PERIOD</b> 01/01/2024 - 12/31/2028		<b>TOTAL BUDGET PERIOD COST</b> \$ 40,675,000.00
				<b>TOTAL PROJECT PERIOD COST</b> \$ 40,675,000.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 10/05/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 40,675,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 40,675,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Water Division R5 - Region 5 77 W. Jackson Blvd., W-15J Chicago, IL 60604	
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official for Sheila Dolan - null by Karen Sykes - Award Official Delegate				<b>DATE</b> 01/25/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 40,675,000	\$ 40,675,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 40,675,000	\$ 40,675,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.442 - Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	Safe Drinking Water Act: Sec. 1459A & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 40

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405PKX012	23	E4SD	05P1	000BL8X87	4101	-	-	\$ 20,337,500
-	2405PKX012	22	E4SD	05P1	000BL8X87	4101	-	-	\$ 20,337,500
									\$ 40,675,000

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 40,675,000
9. Total Direct Charges	\$ 40,675,000
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 40,675,000
12. Total Approved Assistance Amount	\$ 40,675,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 40,675,000
15. Total EPA Amount Awarded To Date	\$ 40,675,000

## **Attachment 1 - Project Description**

This agreement provides funding under the Infrastructure Investment and Jobs Act (IIJA) to the State of Illinois to implement resources and priorities to help address Per- and polyfluoroalkyl substances (PFAS) and emerging contaminant challenges; target resources to communities most in need of assistance to ensure that no community is left behind with unsafe, inadequate water; and advance the priorities of equity and environmental justice. Illinois will implement projects such as emerging contaminant treatment, planning/design, and technical assistance with the use of this award funding. The activities include projects and activities to address emerging contaminants in small or disadvantaged communities, including but not limited to research and testing; planning and design to address emerging contaminants; treatment of emerging contaminants; source water activities related to emerging contaminants; storage; water system restructuring; providing households access to drinking water services; technical assistance; outreach and education; and workforce or training support to public water systems in addressing emerging contaminants. This agreement is to an eligible state or territory to implement a program to provide assistance to address emerging contaminants in drinking water to small or disadvantaged communities. Funds are to carry out projects and activities needed for public water systems to comply with the Safe Drinking Water Act, programs to provide household water quality testing, activities for a state to respond to a drinking water contaminants, and activities that benefit the impacted communities. Specific deliverables, outcomes, and intended beneficiaries will be determined once projects have been selected from Illinois' 2025 IUP. Grants to eligible water systems to address emerging contaminants through remediation infrastructure projects.

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): **Michael Tukes at** [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and **Robert Young at** [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Patrick Gilvary at** [Gilvary.Patrick@epa.gov](mailto:Gilvary.Patrick@epa.gov) and **Robert Young at** [young.robert@epa.gov](mailto:young.robert@epa.gov)
- Payment requests (if applicable): **Patrick Gilvary at** [Gilvary.Patrick@epa.gov](mailto:Gilvary.Patrick@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Patrick Gilvary at** [Gilvary.Patrick@epa.gov](mailto:Gilvary.Patrick@epa.gov)

### B. INTERGOVERNMENTAL REVIEW PERIOD

In accordance with 40 CFR Part 29, EPA must allow for an intergovernmental review comment period on this grant program. Accordingly, the recipient may incur costs at its own risk but shall not draw down any funds associated with this award until the process is completed. This includes successful resolution of any issues identified during the comment period. The recipient must provide evidence of submission of the project for intergovernmental review.

This submission must be sent by email to the EPA Grants Specialist with a courtesy copy to the Project Officer. The comment period will end **60** days from the aforementioned submission.



### **C. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **1/1/24** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## Programmatic Conditions

### Grant Programmatic Terms and Conditions

#### A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT

##### Work Plan

The recipient agrees to perform the activities identified and specified in the approved work plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the EPA Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to notify EPA of modifications or challenges as they arise through the development and progress of the projects and related activities in order to modify workplans or budgets as appropriate to meet the obligations of the project receiving funding. The recipient must submit modifications for EPA approval prior to continued project progress, and related activities. Recipient will meet with EPA regional programmatic and technical point of contact routinely, during the length of the performance period, to review workplan progress and expenditures, challenges to progress of project progress, and public outreach to the communities and stakeholders that are beneficiaries of the grant project and/or activities. EPA's Program and Project Officer will provide recipient(s) with additional instructions and information pertaining to reporting no more than 30 days after receipt of award. Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award. If the non-Federal entity does not submit all reports in accordance with this section within one year of the period of performance end date, the Federal awarding agency must report the non Federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per § 200.339.

##### Performance Reports – Content

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports to the EPA's Office of Water's State Revolving Fund data system, with review from the EPA Project Officer, after the end of each reporting period that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. 4). Data and details on outreach, training, and technical assistance activities, as described in the project's workplan, that occurred during the reporting period. This may include, but are not limited to: a. Amount, type, name, number of participants, and other pertinent details on outreach and training activities, including a list of communities that were contacted as part of the outreach; b. Difficulties with any outreach and training activities; c. Projected number of outreach and training activities for the next performance period; d. information on workforce development and training, including (1) on-the-job training; (2) Skills development; (4) advanced training or certification in the water utility sector relating to construction, utility operations treatment and distribution, green infrastructure, customer service, maintenance, and engineering.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

The report will reflect information pertaining to the state and its agency with oversight and the work performed to meet the objectives of the program and the grant activity during the period of performance. Reporting must provide a comprehensive review of the small or disadvantaged communities receiving assistance; the type of assistance provided / activities performed; and the breakdown of financial and direct grant assistance which subsidized the activities performed during the reporting cycle. The recipient will coordinate with the appropriate EPA regional office on reporting elements after the application has been approved for award. These performance reports shall cover work status, work progress, difficulties encountered, preliminary data results and a statement of activity anticipated during the subsequent reporting period, a discussion of expenditures along with a comparison of the percentage of the project completed to the project schedule and an explanation of significant discrepancies shall be included in the report. The report shall also include any changes of key personnel concerned with the project.

The following information is to be included as part of each performance report, as well as in the final report as a cumulative total of completed work. The information will also be the following:

- 1) Grant ID number.
- 2) Indicate the semi-annual performance period [date] to [date].

3) PWS Number(s) (if applicable):

4) The report summary will describe the progress of the project and/or activity provided during the reporting period. It also identifies the following information:

Census tract/block of benefitting communities

Project start date/completion date

Awarded amount

Amount of awarded federal funds spent during the reported performance period

Total Project Cost

[If project includes more than the funded amount, breakdown project by funding amounts and identify types of funding, *e.g. state funding, other federal funding, private funding, etc.*

List of emerging contaminants being addressed:

[INSERT List of Contaminants being addressed]

Community Type (indicate and describe the community, including census tract information):

Small

Disadvantaged

Both small and disadvantaged

Does the project address climate resiliency?

Yes, it meets the XXXXX Standards

Provide detailed information regarding the resiliency component of the project, including percentage of the grant directed to also address climate resiliency]

Project Type (multiple selections allowed):

Treatment

Include description of project

Transmission and Distribution

Include description of project

Source

Include description of project

Storage

Include description of project

Creation of New Systems

Include description of project

Consolidation

Include description of project

Household water quality testing, including for unregulated contaminants

Include description of project

Assistance to increase technical, managerial, and financial (TMF) capacity

Did the project or activities include information on the removal of emerging contaminants

Drinking water contamination response efforts

Include description of project

Other (includes space for a narrative description)

Public Health Impact Description (narrative)

Population served (either by Project or by the System)

Interim performance and final progress reports must prominently display the three Essential Elements for state work plans: 1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame/schedule.

(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

#### **Performance Reports - Frequency**

The recipient will submit **semi-annual** performance reports, which are required. They are to be submitted electronically to the EPA Project Officer within 30 days after the reporting period (every six-month period). The reporting periods are ***January 1 through June 30 (report due July 31) and July 1 through December 31 (report due Jan 31).***

The annual reporting period is from **January 1 through December 31**. Annual reports are to be submitted electronically within 90 days after the annual reporting period ends (**report due by March 31**).

The semi-annual and annual reports must include progress towards the outcomes and outputs of the performance period.

In accordance with 2CFR 200.329, the recipient must submit a final performance report no later than 120 days after the end date of the period of performance. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance, or the project is completion date and/or when all funding is expended.

Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award.

#### **Subaward Performance Reporting**

The recipient must report on its subaward activities and monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.

3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

## **B. Cybersecurity Condition**

### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **C. Conditional Award**

EPA has conditionally approved the workplan to allow the recipient to proceed to work on approved workplan components. As all the costs (\$40,675,000) are associated with the selection of subrecipients, Illinois Environmental Protection Agency (IL EPA) should not incur costs until a final revised workplan has been approved by EPA. The final revised workplan should contain information confirming all BIL EC SDS requirements are met. Until a final revised workplan has been approved by EPA:

1. The recipient should not request payments and EPA will not make payments for unapproved work; and
2. Any costs incurred for unapproved work by the recipient are at its own risk.

## **D. Signage Required**

### **1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investingamerica-signage>.

b. Procuring Signs: State agencies and agencies of political subdivisions of states must comply with 2 CFR 200.323, Procurement of recovered materials when procuring signage for projects funded by EPA assistance agreement. EPA encourages other recipients to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement.

provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.


## 2. Public or Media Events

The Recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## E. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the ~~IEPA~~ received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		GRANT NUMBER (FAIN): 00E03898	DATE OF AWARD	
			MODIFICATION NUMBER: 0	09/28/2024	
			PROGRAM CODE: 4B		
			TYPE OF ACTION New	MAILING DATE 10/02/2024	
PAYMENT METHOD: ASAP		ACH# 50183			
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov		
<b>RECIPIENT:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			<b>PAYEE:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>	
Jacob Fink 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 Email: Jacob.Fink@illinois.gov Phone: 217-785-8726		Riley Jenkins 77 W Jackson Blvd, LP-17J Chicago, IL 60604-3507 Email: Jenkins.Riley@epa.gov Phone: 312-886-7178		Donna Stingley Assistance Section, MA-10J Email: Stingley.Donna@epa.gov Phone: 312-353-1677	
<b>PROJECT TITLE AND DESCRIPTION</b> IEPA CERCLA Section 104(k) Revolving Loan Fund See Attachment 1 for project description.					
<b>BUDGET PERIOD</b> 10/01/2024 - 09/30/2029		<b>PROJECT PERIOD</b> 10/01/2024 - 09/30/2029		<b>TOTAL BUDGET PERIOD COST</b> \$ 3,500,000.00	
				<b>TOTAL PROJECT PERIOD COST</b> \$ 3,500,000.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 08/13/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 3,500,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 3,500,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Land, Chemicals and Redevelopment Division, L-17J R5 - Region 5 77 W Jackson Blvd Chicago, IL 60604-3507		
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>					
Digital signature applied by EPA Award Official for Sheila Dolan - Branch Supervisor by Karen Sykes - Award Official Delegate					<b>DATE</b> 09/28/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 3,500,000	\$ 3,500,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 3,500,000	\$ 3,500,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.818 - Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	CERCLA: Secs. 104(k)(3) & 104(k)(5)(E) & 104(k)(10)(B)(iii) & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405QEX069	24	E4SD	05Q1AG7	000D79X89	4114	-	-	\$ 3,500,000
									\$ 3,500,000

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 63,050
2. Fringe Benefits	\$ 59,535
3. Travel	\$ 14,000
4. Equipment	\$ 0
5. Supplies	\$ 2,500
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 3,308,500
9. Total Direct Charges	\$ 3,447,585
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$ 52,415
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 3,500,000
12. Total Approved Assistance Amount	\$ 3,500,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 3,500,000
15. Total EPA Amount Awarded To Date	\$ 3,500,000

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 42.76% Salary and Fringe-Valid-- 07/1/24-06/30/25	\$ 0
2.	\$ 0
3.	\$ 0
4.	\$ 0
5.	\$ 0
6.	\$ 0
7.	\$ 0
8.	\$ 0
9.	\$ 0
10.	\$ 0
11. Total (Share: Recip % Fed %)	\$ 0
12. Total Approved Assistance Amount	\$ 0

## **Attachment 1 - Project Description**

Brownfields are real property, the expansion, development or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. This agreement will provide funding under the Infrastructure Investment and Jobs Act (IIJA) for the Illinois Environmental Protection Agency to re-capitalize a revolving loan fund as authorized by CERCLA 104(k)(5)(A)(ii) in the state of Illinois. Specifically, this agreement will provide funding for the recipient to re-capitalize a revolving loan fund from which to make loans and subgrants to clean up brownfield site(s) and conduct other necessary activities to prudently manage the RLF. Additionally, the recipient will competitively procure (as needed) and direct a Qualified Environmental Professional to oversee the environmental site activities, will create a community involvement plan and administrative record for each site that is remediated, and will report on program income, interim progress, and final accomplishments by completing and submitting relevant portions of the Property Profile Form and Brownfields RLF Form using EPA's Assessment, Cleanup and Redevelopment Exchange System (ACRES). Further, the recipient will issue loans to remediate brownfield site(s) and enroll sites in the state response program; anticipates holding community meetings, finalizing Analysis of Brownfield Cleanup Alternatives, and submitting quarterly reports throughout the project period. Work conducted under this agreement will benefit the residents, business owners, and stakeholders in the state of Illinois. The Illinois Environmental Protection Agency will execute subawards in the form of brownfields remediation loans and subgrants for remediating brownfield sites in the State of Illinois.

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: [https://www.epa.gov/system/files/documents/2023-09/fy\\_2023\\_epa\\_general\\_terms\\_and\\_conditions\\_effective\\_october\\_1\\_2023\\_or\\_later.pdf](https://www.epa.gov/system/files/documents/2023-09/fy_2023_epa_general_terms_and_conditions_effective_october_1_2023_or_later.pdf) These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and Donna Stingley, Grant Specialist at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): *Karen Sykes* at [Sykes.Karen@epa.gov](mailto:Sykes.Karen@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Donna Stingley, Grant Specialist** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov) and : **Riley Jenkins, Project Officer** at [jenkins.riley@epa.gov](mailto:jenkins.riley@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Riley Jenkins, Project Officer** at [jenkins.riley@epa.gov](mailto:jenkins.riley@epa.gov)



## Programmatic Conditions

### FY24 Brownfields Revolving Loan Fund (RLF) Cooperative Agreement Infrastructure Investment and Jobs Act Funds (IIJA) Terms and Conditions

#### I. GENERAL FEDERAL REQUIREMENTS

Note: For the purposes of complying with certain provisions of the Uniform Grant Guidance (UGG), 2 CFR Part 200, loans made by RLF recipients are *Subawards* as that term is defined at 2 CFR § 200.1. The term subaward also encompasses “grants” made by the RLF recipient under CERCLA § 104(k)(3)(B)(ii). The UGG requirements for subawards in the form of loans and subawards in the form of grants are different. For clarity, these T&Cs refer to “loans” to describe subawards that generate program income from repayments of principal, interest charges and loan processing fees paid by “borrowers.” The T&Cs refer to “subgrants” to describe subawards the RLF recipient provides to an eligible entity or nonprofit organization (“subgrantees”) under terms that do not require repayment.

##### A. Federal Policy and Guidance

1. Cooperative Agreement Recipients: By awarding this cooperative agreement, the Environmental Protection Agency (EPA) has approved the application for the Cooperative Agreement Recipient (CAR). These T&Cs are effective for activities occurring after the date of award of this cooperative agreement.
2. In implementing this agreement, the CAR shall comply with and require that work done by borrowers and subgrantees with cooperative agreement funds comply with the requirements of CERCLA § 104(k). The CAR shall also ensure that cleanup activities supported with cooperative agreement funding comply with all applicable federal and state laws and regulations. The CAR must ensure cleanups are protective of human health and the environment.
3. The CAR must consider whether it is required to have borrowers or subgrantees conduct cleanups through a State or Tribal response program. If the CAR chooses not to require borrowers and subgrantees to participate in a State or Tribal response program, then the CAR is required to consult with the EPA Project Officer on each loan or subgrant to ensure the proposed cleanup is protective of human health and the environment.  
  
If the State or Tribe does not have a promulgated response program that is applicable to the planned brownfield activity, then the CAR is required to consult with the EPA Project Officer to ensure the protectiveness of human health and the environment.
4. A term and condition or other legally binding provision shall be included in all loan and subgrant agreements entered into with the funds awarded under this agreement, or when funds awarded under this agreement are used in combination with non-federal sources of funds, to ensure that the CAR complies with all applicable federal and state laws and requirements. In addition to CERCLA § 104(k), applicable federal laws and requirements include 2 CFR Part 200.
5. The CAR must comply with federal cross-cutting requirements. These requirements include, but are not limited to, DBE requirements found at 40 CFR Part 33; OSHA Worker Health & Safety Standard 29 CFR § 1910.120; Uniform Relocation Act (40 USC § 61); National Historic Preservation Act (16 USC § 470); Endangered Species Act (P.L. 93-205); Permits required by Section 404 of the Clean Water Act; Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR § 60-4;

Contract Work Hours and Safety Standards Act, as amended (40 USC §§ 327-333); the Anti-Kickback Act (40 USC § 3145); and Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250. For additional information on cross-cutting requirements visit <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>.

6. The CAR must comply with Davis-Bacon Act prevailing wage requirements and associated U.S. Department of Labor (DOL) regulations for all construction, alteration, and repair contracts and subcontracts awarded with funds provided under this agreement by operation of CERCLA § 104(g). For more detailed information on complying with Davis-Bacon, please see the [Contract Provisions for Davis-Bacon and Related Acts](#) and the Brownfields Davis-Bacon terms and conditions.

7. For funding added after May 14, 2022, refer to the General Term & Conditions for Buy America Sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act (IIJA; also known as Bipartisan Infrastructure Law or BIL) (P.L. 117-58, §§70911-70917). An adjustment period waiver may apply to funding awarded between May 14, 2022 and February 28, 2023. The CAR can also refer to EPA's [Frequently Asked Questions for BABA](#) for more information.

8. The recipient agrees to have financial management and programmatic management systems in place to:

- a. Track and report on expenditures of IIJA funds.
- b. Track and report outputs and outcomes achieved with IIJA funds.

9. RLF supplemental funding is generally awarded on an annual basis to high-performing CARs who meet specific criteria. The CAR can find additional information on the timing and procedures for supplemental funding requests on the EPA Brownfields Program website (<https://www.epa.gov/brownfields/brownfields-revolving-loan-fund-rlf-grants>).

## II. SITE/BORROWER/SUBGRANTEE ELIGIBILITY REQUIREMENTS

**All brownfield sites that will be addressed using RLF funds must be located within the geographic boundary described in the scope of work for this cooperative agreement (i.e., the EPA-approved workplan).**

### A. Brownfield Site Eligibility

1. Prior to performing site work, the CAR must provide information to the EPA Project Officer about each site that will be addressed under this cooperative agreement. The CAR may use cooperative agreement funds to prepare information that is provided to the EPA Project Officer. The information that must be provided includes whether the site meets the definition of a brownfield site as defined in § 101(39) of CERCLA and whether the CAR is the potentially responsible party under CERCLA § 107, is exempt from CERCLA liability, or has defenses to CERCLA liability.

2. If the site is excluded from the general definition of a brownfield site but is eligible for a property-specific funding determination, then the CAR may request a property-specific funding determination from

the EPA Project Officer. In its request, the CAR must provide information sufficient for EPA to make a property-specific funding determination on how financial assistance will protect human health and the environment, and either promote economic development or enable the creation of, preservation of, or addition to parks, greenways, undeveloped property, other recreational property, or other property used for nonprofit purposes. The CAR must not incur costs for cleaning up sites requiring a property-specific funding determination by EPA until the EPA Project Officer has advised the CAR that EPA has determined that the property is eligible.

### 3. Brownfield Sites Contaminated with Petroleum

a. For any petroleum-contaminated brownfield site that is not included in the CAR's EPA-approved workplan, the CAR shall provide sufficient documentation to EPA prior to incurring costs under this cooperative agreement which documents that:

- i. the State determines there is "no viable responsible party" for the site;
- ii. the State determines that the person assessing, investigating, or cleaning up the site is a person who is not potentially liable for cleaning up the site; and
- iii. the site is not subject to any order issued under Section 9003(h) of the Solid Waste Disposal Act.

This documentation must be prepared by the CAR or the State, following contact and discussion with the appropriate state petroleum program official. Please contact the EPA Project Officer for additional information.

b. Documentation must include:

- i. the identity of the State program official contacted;
- ii. the State official's telephone number;
- iii. the date of the contact; and
- iv. a summary of the discussion relating to the State's determination that there is no viable responsible party and that the person assessing, investigating, or cleaning up the site is not potentially liable for cleaning up the site.

Other documentation provided by a State to the recipient relevant to any of the determinations by the State must also be provided to the EPA Project Officer.

c. If the State chooses not to make the determinations described in Section II.A.3. above, the CAR must contact the EPA Project Officer and provide the information necessary for EPA to make the requisite determinations.

d. EPA will make all determinations on the eligibility of petroleum-contaminated brownfield sites located on tribal lands (i.e., reservation lands or lands otherwise in Indian country, as defined at 18 U.S.C. § 1151). Before incurring costs for these sites, the CAR must contact the EPA Project Officer and provide the information necessary for EPA to make the determinations.

## B. Borrower and Subgrantee Eligibility

1. The CAR may provide loans to an eligible entity, a site owner, a site developer, or another person without regard to whether the borrower is a for-profit organization. Borrowers do not have to own the property throughout the term of the loan unless ownership is required for the purpose of securing collateral or the CAR otherwise determines that borrower site ownership is necessary.
2. The CAR may only provide cleanup subgrants to an eligible entity or nonprofit organization to clean up sites owned by the eligible entity or nonprofit organization at the time of the award of the subgrant. Eligible subgrantees include eligible entities as defined under CERCLA § 104(k)(1), which includes nonprofit organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organizations as defined at 2 CFR § 200.70. Nonprofit institutions of higher education as defined at 2 CFR § 200.55 are also eligible for cleanup subgrants. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that do not engage in lobbying activities with the federal government as defined in Section 3 of the Lobbying Disclosure Act of 1995 are eligible for loans and subgrants. Nonprofit organizations with 501(c)(4) tax exemption status that lobby the federal government are not eligible for loans and subgrants.
3. The subgrantee must retain ownership of the site throughout the period of performance of the subgrant. The subgrantee must consult with the CAR, who in turn must consult with the EPA Project Officer prior to transferring title or otherwise conveying the real property comprising the site during the period of performance of the subgrant. Once the subgrant ends, the statutory ownership requirement is extinguished. For the purposes of this agreement, the term “owns” means fee simple title unless the EPA Project Officer approves a different ownership arrangement.
4. The CAR shall not provide a subgrant to itself or another component of its own unit of government or organization.
5. The CAR may discount loans, also referred to as the practice of forgiving a portion of loan principal. For an individual loan, the amount of principal discounted may be any percentage of the total loan amount up to 50%, provided that the total amount of the principal forgiven for that loan shall not exceed \$500,000 of the CAR's total award amount (EPA funds + cost share, if applicable – see Section IV.A.1. and IV.B.3.). Eligible entities and nonprofit organizations described in Section II.B.1. are eligible for discounted loans. **Private, for-profit entities are not eligible for discounted loans.** In addition to these terms, a discounted loan shall not be used in combination with a subgrant at the same site. The discounted amount in a discounted loan shall apply towards non-loan costs in the 50/50 split rule described in [Section IV.B.4.](#) (i.e., the discounted amount cannot apply towards the 50% of EPA funds + cost share, if applicable – see Section IV.A.1., that must be spent on loans and associated eligible programmatic expenses). The CAR may request a waiver of the discounted amount, discounted percentage, or the minimum 50/50 split by consulting with the EPA Project Officer for information about the waiver process. In general, a loan may not be discounted after it has already been executed. Any post-execution discounting has to be approved by the EPA Project Officer.
6. The CAR shall not loan or subgrant funds that will be used to pay for cleanup activities at a site for which a borrower or subgrantee is potentially liable under CERCLA § 107. In addition, the borrower or subgrantee may not be affiliated with a potentially liable person as described in CERCLA §§ 101(40)(H) and 107(q)(1)(A)(ii). The CAR may rely on its own investigation which can include an opinion from the borrower's or subgrantee's counsel. However, the CAR must advise the borrower or subgrantee that the investigation and/or opinion of its subgrantee counsel is not binding on the Federal Government.

7. For approved eligible petroleum-contaminated brownfield sites, the borrower or subgrantee cleaning up the site must not be potentially liable for cleaning up the site. For brownfield grant purposes, an entity generally will not be considered potentially liable for petroleum contamination if it has not dispensed or disposed of petroleum or petroleumproduct at the site, has not exacerbated the contamination at the site, and taken reasonable steps with regard to the contamination at the site.

8. The CAR shall maintain sufficient documentation supporting and demonstrating the eligibility of the sites, borrowers, and subgrantees.

9. A borrower or subgrantee must submit information regarding its overall environmental compliance history including any penalties resulting from environmental non-compliance at the site subject to the loan or subgrant. The CAR, in consultation with EPA, must consider this history in its analysis of the borrower or subgrantee as a cleanup and business risk.

10. An entity that is currently suspended, debarred, or otherwise declared ineligible cannot be a borrower or subgrantee.

### **C. Obligations for CARs, Borrowers, or Subgrantees**

1. CARs, borrowers, or subgrantees who are eligible, or seek to become eligible, to receive a loan or subgrant must provide information indicating that cooperative agreement funds will not be used to pay for a response cost at a site for which the CAR, borrower, or subgrantee is potentially liable under CERCLA § 107. The CAR, borrower, or subgrantee must demonstrate that it meets the requirements for one of the Landowner Liability Protections as either a Bona Fide Prospective Purchaser (BFPP), Contiguous Property Owner (CPO), or Innocent Landowner (ILO). These requirements include certain threshold criteria and continuing obligations that must be met in order for the CAR, borrower, or subgrantee to maintain its eligible status. If the CAR, borrower, or subgrantee fails to meet these obligations, EPA may disallow the costs incurred under this cooperative agreement for cleaning up the site under CERCLA § 104(k)(8)(C). The Landowner Liability Protection requirements include:

a. Performing “all appropriate inquiries” into the previous ownership and uses of the property before acquiring the property.

b. Not being potentially liable or affiliated with any other person who is potentially liable for response costs at the site through: any direct or indirect familial relationship, any contractual, corporate, or financial relationship, or through the result of a reorganized business entity that was potentially liable.

While not necessary to obtain ILO protection, the CAR, borrower, or subgrantee must still establish by a preponderance of the evidence that the act or omission that caused the release or threat of release of hazardous substances and any resulting damages were caused by a third party with whom the person does not have an employment, agency, or contractual relationship.

c. Demonstrating that no disposal of hazardous substances occurred at the facility after acquisition by the landowner (does not specifically apply for the CPO protection).

d. Taking “reasonable steps” with respect to hazardous substance releases by stopping any continuing releases, preventing any threatened future releases, and preventing or limiting human, environmental, or natural resource exposure to any previously released hazardous substance.



- e. Complying with any land use restrictions established or relied on in connection with the response action at the site and not impeding the effectiveness or integrity of institutional controls employed in connection with the response action.
- f. Providing full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration at the site from which there has been a release or threatened release.
- g. Complying with information requests and administrative subpoenas (does not specifically apply for the ILO protection).
- h. Providing all legally required notices with respect to the discovery or release of any hazardous substances at the site (does not specifically apply for the ILO protection).

Notwithstanding the CAR's, borrower's, and subgrantee's continuing obligations under this agreement, the CAR, borrower, and subgrantee are subject to the applicable liability provisions of CERCLA governing its status as a BFPP, CPO, or ILO. CERCLA requires additional obligations to maintain the liability limitations for BFPP, CPO, and ILO; the relevant provisions for these obligations include §§ 101(35), 101(40), 107(b), 107(q) and 107(r).

CARs, borrowers, and subgrantees that are exempt from CERCLA liability or do not have to meet the requirements for asserting an affirmative defense to CERCLA liability must also comply with continuing obligation items c.-h.

### III. GENERAL COOPERATIVE AGREEMENT ADMINISTRATIVE REQUIREMENTS

#### A. Sufficient Progress

1. This condition supplements the requirements of the Termination and Sufficient Progress Conditions in the General Terms and Conditions.

The EPA Project Officer will assess whether the recipient is making sufficient progress in implementing its cooperative agreement 2 years from the date of award and on an annual basis thereafter. If EPA determines that the CAR has not made sufficient progress in implementing its cooperative agreement, the CAR, if directed to do so, must implement a corrective action plan concurred on by the EPA Project Officer and approved by the Grants Management Officer or Award Official. Alternatively, EPA may terminate this agreement under 2 CFR § 200.340. for material non-compliance with its terms, or with the consent of the CAR as provided at 2 CFR § 200.340, depending on the circumstances. Sufficient progress at 2 years and annually thereafter is indicated by the CAR having made a loan(s) and/or grant(s), but may also be demonstrated by a combination of all the following: hiring of all key personnel, the establishment and advertisement of the RLF, the development of one or more potential loans/subgrants, or other documented activities that demonstrate to EPA's satisfaction that the CAR will successfully perform the cooperative agreement.

2. Partial termination can occur if a CAR fails to complete the initial round of lending in the time schedule provided in the cooperative agreement. In this situation, as provided at 2 CFR §§ 200.340(a)(1) and (5) or 2 CFR § 200.340(a)(3), as appropriate, the agreement may be partially terminated and the following



actions may occur:

- a. Unused cooperative agreement funds will be deobligated by EPA;
- b. The cooperative agreement award may be amended to reflect the reduced amount of the cooperative agreement;
- c. EPA may determine whether sufficient funds remain to permit effective RLF operation; or
- d. EPA may terminate the agreement and recover the federal share of its assets if it determines that the purpose of the cooperative agreement cannot be met.

## **B. Substantial Involvement**

1. The EPA Project Officer will be substantially involved in overseeing and monitoring this cooperative agreement. Substantial involvement, includes, but is not limited to:

- a. Close monitoring of the CAR's performance to verify compliance with the EPA-approved workplan and achievement of environmental results.
- b. Participation in periodic telephone conference calls to share ideas, project successes and challenges, etc., with EPA.
- c. Reviewing and commenting on quarterly and annual reports prepared under the cooperative agreement (the final decision on the content of reports rests with the recipient or subrecipients receiving pass-through awards).
- d. Verifying sites meet applicable site eligibility criteria (including property-specific funding determinations described in Section II.A.2.) and when the CAR awards a subaward. The CAR must obtain technical assistance from the EPA Project Officer, or his/her designee, on which sites qualify as a brownfield site and determine whether the statutory prohibitions found in CERCLA § 104(k)(5)(B)(i)-(iv) apply. (Note, the prohibition does not allow a subrecipient to use EPA cooperative agreement funds to clean up a site for which the subrecipient is potentially liable under CERCLA § 107.)
- e. Reviewing and approving Quality Assurance Project Plans and related documents or verifying that appropriate Quality Assurance requirements have been met where quality assurance activities are being conducted pursuant to an EPA-approved Quality Assurance Management Plan.
- f. Monitoring the use of program income after the cooperative agreement project period ends.

Substantial involvement may also include, depending on the direction of the EPA Project Officer:

- g. Collaboration during the performance of the scope of work including participation in project activities, to the extent permissible under EPA policies. Examples of collaboration include:
  - i. Consultation between EPA staff and the CAR on effective methods of carrying out the scope of work provided the CAR makes the final decision on how to perform authorized activities.
  - ii. Advice from EPA staff on how to access publicly available information on EPA or other federal

agency websites.

iii. With the consent of the CAR, EPA staff may provide technical advice to the CAR's contractors or subrecipients provided the CAR approves any expenditures of funds necessary to follow advice from EPA staff. (The CAR remains accountable for performing contract and subaward management as specified in 2 CFR § 200.318 and 2 CFR § 200.332 as well as the terms of the EPA cooperative agreement.)

iv. EPA staff participation in meetings, webinars, and similar events upon the request of the CAR or in connection with a co-sponsorship agreement.

h. Reviewing and approving that the Analysis of Brownfield Cleanup Alternatives (ABCA), or equivalent state Brownfields program document, meets the Brownfields Program's requirements for an ABCA.

i. Reviewing proposed procurements in accordance with 2 CFR § 200.325, as well as the substantive terms of proposed contracts or subawards (i.e., both subgrants and loans) as appropriate and discussing compliance with 50/50 split rule. If applicable, the EPA Project Officer may review the substantive terms of intra-governmental loans. The EPA Project Officer may review requests for proposals, invitations for bid, scopes of work and/or plans and specifications for contracts over \$250,000 prior to advertising for bids.

j. Reviewing the qualifications of key personnel. (EPA does not have the authority to select employees or contractors, including consultants, employed by the CAR or subrecipients receiving pass-through awards.)

k. Reviewing information in performance reports to ensure all costs incurred by the CAR, borrower, subgrantee, and/or its contractor(s) if needed to ensure appropriate expenditure of grant funds.

EPA may waive any of the provisions in Section III.B.1., except for property-specific funding determinations. The EPA Project Officer will provide waivers to provisions a. – f. in Section III.B.1. in writing.

2. Effects of EPA's substantial involvement include:

a. EPA's review of any project phase, document, or cost incurred under this cooperative agreement will not have any effect upon CERCLA § 128 *Eligible Response Site* determinations or rights, authorities, and actions under CERCLA or any federal statute.

b. The CAR remains responsible for ensuring that all cleanups are protective of human health and the environment and comply with all applicable federal and state laws. If changes to the expected cleanup become necessary based on public comment or other reasons, the CAR must consult with the EPA Project Officer and the State.

c. The CAR and its subrecipients remain responsible for ensuring costs are allowable under 2 CFR Part 200, Subpart E.

## C. Cooperative Agreement Recipient Roles and Responsibilities

**1. All additional sites selected for eligible activities throughout the period of performance (i.e., sites that were not identified in the workplan) must be located within the geographic boundary(ies) identified by the CAR in the workplan.**

If the CAR has another open RLF cooperative agreement that was funded by IIJA and awarded in FY23 or later, consistent with the FY23 or later RLF Grant Guidelines and FY23 or later RLF Supplemental Funding Instructions, criteria for selecting additional sites must at least consider whether the site is located within an underserved community<sup>[1]</sup> or disadvantaged census tract, as identified through the Climate and Economic Justice Screening Tool (CEJST) in addition to considering the prioritization criteria identified in the FY23 or later application, FY23 or later RLF Supplemental Funding request, the workplan, or developed during implementation of the workplan. Note, subgrant criteria developed during the implementation of the workplan must lead to the CAR addressing sites in areas with similar characteristics as the areas discussed in the FY23 or later application or FY23 or later Supplemental Funding request.

**2. CARs, other than state entities, that procure a contractor(s) (including consultants) where the contract will be more than the micro-purchase threshold in 2 CFR § 200.320(a)(1) (\$10,000 for most CARs) must select the contractor(s) in compliance with the fair and open competition requirements in 2 CFR Part 200 and 2 CFR Part 1500. This requirement also applies to procurement processes that were completed before the award of this cooperative agreement. See the [Brownfields Grants: Guidance on Competitively Procuring a Contractor](#) for additional information.**

CARs may procure multiple contractors to ensure the appropriate expertise is in place to perform work under the agreement (e.g., expertise to provide oversight on site cleanup activities vs. community engagement) and to allow the ability for work be performed concurrently at multiple sites within the defined and approved geographic boundary.

**3. The CAR is responsible for establishing an RLF team that will implement the program and assign a Program Manager for coordinating the team's activities as outlined below.**

**4. The CAR must acquire the services of a Qualified Environmental Professional(s) as defined in 40 CFR § 312.10, if it does not have such a professional on staff, to provide technical assistance, advice, and expertise to the CAR while the borrower or subgrantee and their cleanup contractor direct the cleanup at a given site.**

**5. The CAR shall act as or appoint a qualified "fund manager" to carry out responsibilities that relate to financial management of the loan and/or subgrant program. However, the CAR remains accountable to EPA for the proper expenditure of cooperative agreement funds. Any funding arrangements between the CAR and the fund manager must be consistent with 2 CFR Parts 200 and 1500 and [EPA's Subaward Policy](#). Additional information is available in EPA's [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#).**

**6. The CAR shall appoint appropriate legal counsel if counsel is not already available. Counsel must review all loan/subgrant agreements prior to execution unless the EPA Project Officer waives this requirement.**

**7. The CAR is responsible for ensuring that borrowers and subgrantees comply with the terms of their agreements with the CAR, and that agreements between the CAR and borrowers and subgrantees are consistent with the terms and conditions of this agreement.**

8. When the CAR makes loans and subgrants under this agreement, they become a pass-through entity for the purposes of the subrecipient oversight and management requirements of [2 CFR §§ 200.331 through 200.332](#). Requirements for oversight and management of subgrantees are supplemented in EPA's National Term and Condition for Subawards which is included in the General Terms and Conditions of this Cooperative Agreement.

9. The following requirements apply when a pass-through entity (CAR) makes loans. These requirements apply to loans and borrowers in lieu of those specified in EPA's National Term and Condition for Subawards.

a. Pass-through entities must establish and follow a system that ensures all loan agreements are in writing and contain all of the elements required by [2 CFR § 200.332\(a\)](#) with the exception of the indirect cost provision of 2 CFR § 200.332(a)(4). EPA has developed an optional template for subaward agreements that is available in [Appendix D of EPA's Subaward Policy](#) which may also be used for loan agreements.

b. Borrowers must comply with the internal control requirements specified at [2 CFR § 200.303](#) and are subject to the 2 CFR Part 200, Subpart F, *Audit Requirements*. The pass-through entity (CAR) must include a condition in all loans that requires borrowers to comply with this requirement. No other provisions of the Uniform Grant Guidance, including the Procurement Standards, apply directly to borrowers.

c. Prior to making loans or subgrants, the pass-through entity (CAR) must ensure that each borrower or subgrantee has a "unique entity identifier." This identifier is required for registering in the [System for Award Management](#) (SAM) and by [2 CFR Part 25](#) and [2 CFR § 200.332\(a\)\(1\)](#), but based on [2 CFR § 25.300](#), borrowers and subgrantees do not have to register in SAM. The unique entity identifier (UEI) is generated when an entity registers in SAM. Information on registering in SAM and obtaining a UEI is available in the General Condition of the pass-through entity's (CAR's) agreement with EPA entitled "*System for Award Management and Universal Identifier Requirements*."

d. The pass-through entity (CAR) must ensure that the terms of all loan agreements and subgrants require that borrowers and subgrantees comply with [2 CFR Part 170, Reporting Subaward and Executive Compensation](#) under Federal Funding Accountability and Transparency Act (FFATA) set forth in the General Condition of the pass-through entity's (CAR's) agreement with EPA entitled "*Reporting Subawards and Executive Compensation*."

e. In addition to other prudent lending practices described, in [Section VI](#), below, pass-through entities (CARs) must comply with EPA's General T&Cs (Establishing and Managing Subawards).

10. As the pass-through entity, the CAR must report to EPA on its borrower and subgrantee monitoring activities under [2 CFR § 200.332\(d\)](#), including the following information as part of the CAR's quarterly performance reporting:

a. Summaries of results of reviews of financial and programmatic reports;

b. Summaries of findings from site visits and/or desk reviews to ensure effective borrower or subgrantee performance;

c. Environmental results the borrower or subgrantee achieved;

- d. Summaries of audit findings and related pass-through entity management decisions, if any; and
- e. Actions the pass-through entity has taken to correct any deficiencies such as those specified at [2 CFR § 200.332\(e\)](#), [2 CFR § 200.208](#), [Specific conditions](#), and the [2 CFR § 200.339, Remedies for Noncompliance](#).

12. Cybersecurity – The recipient agrees that when collecting and managing environmental data under this cooperative agreement, it will protect the data by following all applicable State law cybersecurity requirements.

a. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement are secure. For purposes of this section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer and work with the designated Regional/ Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

b. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in Cybersecurity Section a. above if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR § 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

13. All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

#### **D. Quarterly Performance Reports**

1. In accordance with EPA regulations 2 CFR Parts 200 and 1500 (specifically, § 200.329, *Monitoring and Reporting Program Performance*), the CAR agrees to submit quarterly performance reports to the EPA Project Officer within 30 days after each reporting period. Initially, quarterly performance reports will be submitted via email or via the optional Quarterly Reporting function tool within the Assessment, Cleanup and Redevelopment Exchange System (ACRES). However, once EPA has developed and incorporated the updated Quarterly Performance Reporting tool into ACRES, the CAR agrees to use this tool to input quarterly performance reports directly into ACRES within 30 days after each reporting period (the EPA Project Officer will notify the CAR when use of this tool in ACRES is required). The reporting periods are October 1 – December 31 (1<sup>st</sup> quarter); January 1 – March 31 (2<sup>nd</sup> quarter); April 1 – June 30 (3<sup>rd</sup> quarter); and July 1 – September 30 (4<sup>th</sup> quarter). If a due date falls on a weekend or holiday, the



report will be due on the next business day.

These reports shall cover work status, work progress, difficulties encountered, preliminary data results and a statement of activity anticipated during the subsequent reporting period, including a description of equipment, techniques, and materials to be used or evaluated. A discussion of expenditures and financial status for each workplan task, along with a comparison of the percentage of the project completed to the project schedule and an explanation of significant discrepancies from the EPA-approved workplan and budget shall be included in the report. The report shall also include any changes of key personnel concerned with the project that were approved by the EPA Grants Management Officer or Award Official. (Note, as provided at 2 CFR § 200.308, *Revision of budget and program*, the CAR must seek prior approval from the EPA Grants Management Officer or Award Official for a change in a key person.)

2. The CAR must submit performance reports on a quarterly basis in ACRES using the Revolving Loan Fund Quarterly Report function. Quarterly performance reports must include:

- a. A summary that clearly differentiates between activities completed with EPA funds provided under the Brownfield RLF cooperative agreement, including the required cost share, if applicable – see Section IV.A.1., and related activities completed with other sources of leveraged funding.
- b. A summary and status of approved activities performed during the reporting quarter; a summary of the performance outputs/outcomes achieved during the reporting quarter; and a description of problems encountered during the reporting quarter that may affect the project schedule.
- c. A comparison of actual accomplishments to the anticipated outputs/outcomes specified in the EPA-approved workplan and reasons why anticipated outputs/outcomes were not met.
- d. An update on the project schedule and milestones, including an explanation of any discrepancies from the EPA-approved workplan.
- e. A list of the loans and/or subgrants during the reporting quarter.
- f. The amount of the cooperative agreement's total award amount (EPA funds + cost share, if applicable – see Section IV.A.1.) that has been committed thus far on loan costs and non-loan costs, respectively, and whether the cooperative agreement is expected to meet the 50/50 split by the end of the cooperative agreement project period for the cooperative agreement's current total award amount.
- g. A budget summary table with the following information: current approved project budget; EPA funds drawn down during the reporting quarter; costs drawn down to date (cumulative expenditures); cost share contributions, if applicable – see Section IV.A.1.; program income generated and used (e.g., program income received and disbursed during the reporting quarter and during the entire cooperative agreement, and the amount of program income remaining); and total remaining funds. The budget summary table must include costs that are charged to the “other” budget object class category (e.g., subawards, etc.).

The CAR shall include an explanation of any discrepancies in the budget from the EPA-approved workplan, cost overruns or high unit costs, and other pertinent information. Program income accounting records must differentiate program income generated from interest and fees, versus program income generated from principal repayments. The CAR shall include a statement on funding transfers<sup>[2]</sup> among



direct budget categories or programs, functions and activities that occurred during the quarter and cumulatively during the period of performance.

Note: ACRES reporting requirements can change over time, based on expansion of EPA's information collection authority, and the CAR is responsible for complying with the latest ACRES reporting requirements at the time of each quarterly performance report. The EPA Project Officer will notify the CAR when ACRES reporting requirements, specific to Brownfields RLF, change.

h. For local governments that are using RLF funding for health monitoring, the quarterly report must also include the specific budget, the quarterly expenditure, and cumulative expenditures to demonstrate that 10% of federal funding is not exceeded.

Note: Each property where cleanup activities were performed and/or completed must have its corresponding information updated in ACRES (or via the Property Profile Form with prior approval from the EPA Project Officer) prior to submitting the quarterly performance report (see [Section III.E.](#) below).

3. For the loans executed by the CAR under this agreement, the CAR must also report on the following items as part of the CAR's quarterly performance reporting:

a. Summaries of results of reviews of borrower financial and programmatic reports.

b. Environmental results achieved by the borrower.

4. The CAR must maintain records that will enable it to report to EPA on the amount of funds direct EPA funding, cost share, if applicable – see Section IV.A.1., and program income) disbursed by the CAR to clean up specific properties under this cooperative agreement.

5. In accordance with 2 CFR § 200.329(e)(1), the CAR agrees to inform the EPA Project Officer as soon as problems, delays, or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the EPA-approved workplan.

## **E. ACRES Data Submission**

1. Property Profile Form: The CAR must report on interim progress (e.g., loan signed, clean up started) and any final accomplishments (e.g., clean up completed, contaminants removed, institutional controls required, engineering controls required) by completing and submitting relevant portions of the electronic Property Profile Form using the Assessment, Cleanup and Redevelopment Exchange System (ACRES). The CAR must enter the data in ACRES as soon as the interim action or final accomplishment has occurred, or within 30 days after the end of each reporting quarter. The CAR must enter any new data into ACRES prior to submitting the quarterly performance report to the EPA Project Officer. The CAR must utilize the electronic version of the Property Profile Form in ACRES unless approval is obtained from the EPA Project Officer to use the hardcopy version of the Property Profile Form or its use is included in the approved workplan.

2. Brownfields RLF Form: Additionally, the CAR must also report program income details quarterly on the Brownfields RLF Form, which is located on the CAR's RLF cooperative agreement homepage in ACRES.

## **F. Final Cooperative Agreement Performance Report with Environmental Results**

1. In accordance with EPA regulations 2 CFR Parts 200 and 1500 (specifically, § 200.329 *Monitoring and Reporting Program Performance* and 2 CFR § 200.344(a), *Closeout*), the CAR agrees to submit to the EPA Project Officer within 120 days after the expiration or termination of the approved project period a final performance report on the cooperative agreement via email, unless the EPA Project Officer agrees to accept a paper copy of the report. The final performance report shall document and summarize the elements listed in Section III.D.2., as appropriate, for activities that occurred over the entire project period. In addition, when applicable, the CAR must include required documentation associated with an EPA-approved waiver for not meeting the minimum 50/50 split by the end of the cooperative agreement's project period.

#### IV. FINANCIAL ADMINISTRATION REQUIREMENTS

##### A. Cost Share Requirement

1. As provided in IIJA, no cost share is required for this agreement. However, the CAR may have an open non-IIJA funded RLF cooperative agreement where cost share is required as part of its overall RLF program. Therefore, any references to cost share in these Terms and Conditions are related to the overall RLF program (i.e., cost share associated with a non-IIJA funded RLF cooperative agreement).

##### B. Eligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrantee

1. To the extent allowable under the EPA-approved workplan, the CAR may use cooperative agreement funds to capitalize a revolving loan fund to be used for loans or subgrants for cleanup and for eligible programmatic expenses. Eligible programmatic expenses may include activities described in [Section V.](#) of these Terms and Conditions. In addition, eligible programmatic expenses may include:

- a. Determining whether RLF cleanup activities at a particular site are authorized by CERCLA § 104(k).
- b. Ensuring that an RLF cleanup complies with applicable requirements under federal and state laws, as required by CERCLA § 104(k).
- c. Ensuring the adequacy of each RLF cleanup as it is implemented, including overseeing the borrowers and/or subgrantees activities to ensure compliance with applicable federal and state environmental requirements.
- d. Preparing and updating an Analysis of Brownfield Cleanup Alternatives (ABCA) which will include information about the site and contamination issues, cleanup standards, applicable laws, alternatives considered, and the proposed cleanup.
- e. Developing a Quality Assurance Project Plan (QAPP) as required by 2 CFR § 1500.12. The specific requirement for a QAPP is outlined in Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance available at <https://www.epa.gov/grants/implementation-quality-assurance-requirements-organizations-receiving-epa-financial>.
- f. Performing limited site characterization to confirm the effectiveness of the proposed cleanup design or the effectiveness of a cleanup once an action has been completed.

- g. Ensuring that public participation requirements are met. This includes preparing a Community Involvement Plan which will include reasonable notice, opportunity for public involvement and comment on the proposed cleanup, and response to comments.
  - h. Establishing an Administrative Record for each site.
  - i. Ensuring that the site is secure if a borrower or subgrantee is unable or unwilling to complete a brownfield site cleanup.
  - j. Using a portion of a loan or subgrant to purchase environmental insurance for the site. [The loan or subgrant shall not be used to purchase insurance intended to provide coverage for any of the ineligible uses under [Section IV.](#), *Ineligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrantees.*]
  - k. Any other eligible programmatic costs, including costs incurred by the recipient in making and managing a loan or subgrant; obtaining RLF fund manager services; quarterly reporting to EPA including preparation of Property Profiles; awarding, managing and monitoring loans and subgrants as required by the terms of this agreement implementing 2 CFR § 200.332 and the “Establishing and Managing Subawards” General Term and Condition; and carrying out outreach pertaining to the loan and subgrant program to potential borrowers and subgrantees.
- l. Borrower and subgrantee progress reporting to the CAR.
2. The CAR must maintain records that will enable it to report to EPA on the amount of costs incurred by the CAR, borrowers, or subgrantees at brownfield sites.
3. Each site being remediated via an RLF subgrant is limited to a total of \$500,000 of the CAR's total award amount (i.e., funds EPA awards directly to the CAR for all open RLF grants and any associated cost share, if applicable – see Section IV.A.1.). The term “CAR's total award amount” is used to represent the EPA funds + cost share (if applicable – see Section IV.A.1.) from all of the CAR's open RLF grants (i.e., the term considers the RLF program as a single, unified program rather than separate open RLF cooperative agreements; it does not include any funding from cooperative agreements that the CAR has already closed out). The total award amount also never includes program income earned while the cooperative agreement is open or retained and post-closeout program income. For the purposes of determining compliance with the subgrant cap, the value of any technical assistance the CAR provides to the subgrantee (e.g., an ABCA paid for with EPA funds or cost share, if applicable – see Section IV.A.1.) would not be included in the subgrant and does not count towards the \$500,000 per site cap. However, any expenses charged to the subgrant by the subgrantee (e.g., including the cost of an ABCA) would count towards the \$500,000 subgrant cap. Private, for-profit entities are not eligible for subgrants.
4. At least 50% of each open cooperative agreement's total award amount (i.e., EPA funds + cost share, if applicable – see Section IV.A.1.) must be used by the CAR to provide loans for the cleanup of eligible brownfield sites and associated eligible programmatic costs by the end of the cooperative agreement project period. The remaining EPA funding and cost share, if applicable – see Section IV.A.1, may be used for all other eligible programmatic costs that are not associated with loans, such as subgrants, forgiven principal in discounted loans, and eligible programmatic costs to manage/market the RLF. This is referred to as the 50/50 split rule, which addresses the minimum ratio of loan costs to non-loan costs required for the cooperative agreement's total award amount by the end of the cooperative agreement project period. CARs are not required to meet the 50/50 split rule “proportionally” when drawing down

funds, but the EPA Project Officer will monitor to confirm the CAR is on track to meet the minimum 50/50 split by the end of the cooperative agreement.

The CAR may request a waiver of the \$500,000 subgrant limit or the minimum 50/50 split by seeking a waiver through the EPA Project Officer who can provide information on the waiver process. However, a waiver is not required for either requirement when only program income is used, since subgrants that are funded with 100% program income are not limited in amount and do not contribute to this 50% limitation. A waiver is also not required for the discounted amount of a loan if the loan is funded with 100% program income. Furthermore, if program income and/or post-closeout program income are combined with EPA funds and/or cost share (if applicable – see Section IV.A.1.) the program income and post-closeout program income must not be included in the total subgrant or loan amount for the purposes of determining compliance with the subgrant cap, discounted loan limits, or 50/50 split rule.

If the CAR has more than one open RLF cooperative agreement and would like to close out the older cooperative agreement more quickly, the CAR has the option of:

a. Submitting a waiver request to the EPA Project Officer requesting to apply the 50/50 split rule to the CAR's RLF program as a whole for all open RLF cooperative agreements, rather than to each open RLF cooperative agreement individually, on one condition: if one of those open RLF grants closes out (i.e., project period ends) and that closing cooperative agreement does not meet the 50/50 split requirement on its own due to excessive non-loan costs, the CAR must continue to include that cooperative agreement in the 50/50 split calculation for the other open cooperative agreement going forward. This allows the 50/50 split rule to be honored for the entire open RLF program.

b. Requesting that the EPA Project Officer and Grants Management Officer allow shifting of programmatic costs (loan and non-loan costs) between the two open cooperative agreements, in accordance with 2 CFR § 200.405(c), to better achieve the CAR's RLF program priorities. Once the oldest cooperative agreement closes out, the workplan and budget for the remaining open cooperative agreement would need to be amended to include programmatic costs.

5. To determine whether a cleanup subgrant is appropriate, the CAR must consider the following as required by CERCLA § 104(k)(3)(C):

- a. The extent to which the subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;
- b. The extent to which the subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;
- c. The extent to which the subgrant will facilitate the use or reuse of existing infrastructure; and
- d. The benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation.

**The CAR must maintain sufficient records to support and document these determinations.**

**6. Local Governments Only.** If authorized in the EPA-approved workplan and budget narrative, up to 10% of the funds awarded by this agreement may be used by the CAR itself as a programmatic cost for

Brownfield Program development and implementation of monitoring health conditions and institutional controls. The health monitoring activities must be associated with brownfield sites at which at least a Phase II environmental site assessment is conducted, and the assessment indicates that the sites are contaminated with hazardous substances. The CAR must maintain records on funds that will be used to carry out this task to ensure compliance with this requirement.

7. If the CAR makes a subgrant to a local government that includes an amount (not to exceed 10% of the subgrant) for Brownfields Program development and implementation, the terms and conditions of that agreement must include a provision that ensures that the local government subgrantee maintains records adequate to ensure compliance with the limits on the amount of subgrant funds that may be expended for this purpose.

8. Under CERCLA § 104(k)(5)(E), CARs and subgrantees may use up to 5% of the direct EPA funding plus the CAR's cost share, if applicable – see Section IV.A.1., for this cooperative agreement for administrative costs, including indirect costs under 2 CFR § 200.414. The limit on administrative costs for the CAR under this agreement is **\$175,000**. The total amount of indirect costs and any direct costs for cooperative agreement administration by the CAR paid for by EPA under the cooperative agreement, or used to meet the recipient's cost share, if applicable – see Section IV.A.1., shall not exceed this amount. Note that additional administrative costs may be allowed when using program income received under this cooperative agreement during the period of performance (see Section IV.D.2.). Subgrantees and borrowers may use up to 5% of the amount of Federal funds (direct EPA funding, cost share – if applicable – see Section IV.A.1, and program income) in their subawards for administrative costs. As required by 2 CFR § 200.403(d), the CAR and subgrantees must classify administrative costs as direct or indirect consistently and shall not classify the same types of costs in both categories. [Note: Borrowers may charge direct administrative costs to their loan, but borrowers cannot charge indirect costs.]

The term “administrative costs” does not include:

- a. Investigation and identification of the extent of contamination of a brownfield site;
- b. Design and performance of a response action; or
- c. Monitoring of a natural resource.

Eligible cooperative agreement and subgrant administrative costs subject to the 5% limitation include direct costs for:

a. Costs incurred to comply with the following provisions of the *Uniform Administrative Requirements for Cost Principles and Audit Requirements for Federal Awards* at 2 CFR Parts 200 and 1500 other than those identified as programmatic.

- i. Record-keeping associated with equipment purchases required under 2 CFR § 200.313;
- ii. Preparing revisions and changes in the budgets, scopes of work, program plans and other activities required under 2 CFR § 200.308;
- iii. Maintaining and operating financial management systems required under 2 CFR § 200.302;



- iv. Preparing payment requests and handling payments under 2 CFR § 200.305;
- v. Financial reporting under 2 CFR § 200.328;
- vi. Non-federal audits required under 2 CFR Part 200, Subpart F; and
- vii. Closeout under 2 CFR § 200.344 with the exception of preparing the recipient's final performance report. Costs for preparing this report are programmatic and are not subject to the 5% limitation on direct administrative costs.

b. Pre-award costs for preparation of the proposal and application for this cooperative agreement (including the final workplan) or applications for subgrants are not allowable as direct costs but may be included in the CAR's or subrecipient's indirect cost pool to the extent authorized by 2 CFR § 200.460.

c. Borrowers may use up to 5% of the amount of the Federal funds in the loan for loan administration costs. Eligible administrative costs for borrowers include direct costs for:

- i. Salaries, benefits, and other compensation for persons who are not directly engaged in the cleanup of the site (e.g., marketing and human resource personnel), but only to the extent to which these persons activities support the cleanup and subsequent re-use of the site;
- ii. Facility costs such as depreciation, utilities, and rent on the borrower's administrative offices; and
- iii. Supplies and equipment not used directly for cleanup at the site.

d. Eligible direct costs for loan administration include expenses for:

- i. Preparing revisions and changes in the budget, workplans, and other documents required under the loan agreement;
- ii. Maintaining and operating financial management and personnel systems;
- iii. Preparing payment requests and handling payments; and
- iv. Audits including non-federal audits required under 2 CFR Part 200, Subpart F.

e. Borrowers shall not use loan funds for indirect costs even if the borrower has an indirect cost rate approved by a cognizant Federal agency.

### **C. Ineligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrantee**

1. Cooperative agreement funds shall not be used by the CAR, borrower and/or subgrantee for any of the following activities:

a. Pre-cleanup Phase I and Phase II environmental site assessment activities with the exception of site monitoring activities that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup;



- b. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
- c. Construction, demolition, and site development activities that are not cleanup actions (e.g., marketing of property (activities or products created specifically to attract buyers or investors), construction of a new facility, or addressing public or private drinking water supplies that have deteriorated through ordinary use);
- d. Job training activities unrelated to performing a specific cleanup at a site covered by a loan or subgrant;
- e. To pay for a penalty or fine;
- f. To pay a federal cost share requirement (e.g., a cost share required by another federal grant) unless there is specific statutory authority;
- g. To pay for a response cost at a brownfield site for which the CAR or recipient of the subgrant or loan is potentially liable under CERCLA § 107;
- h. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup; and
- i. Unallowable costs (e.g., lobbying and purchases of alcoholic beverages) under 2 CFR Part 200, Subpart E.

2. Cooperative agreement funds shall not be used for any of the following properties:

- a. Facilities listed, or proposed for listing, on the National Priorities List (NPL);
- b. Facilities subject to unilateral administrative orders, court orders, and administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;
- c. Facilities that are subject to the jurisdiction, custody, or control of the United States government except for land held in trust by the United States government for an Indian Tribe; or
- d. A site excluded from the definition of a brownfield site for which EPA has not made a property-specific funding determination.

**D. Use of Program Income – During the Performance Period**

- 1. Program income for the RLF shall be defined as the gross income received by the recipient, directly generated by the cooperative agreement award or earned during the period of the award. Program income shall include principal repayments, interest earned on outstanding loan principal, interest earned on accounts holding RLF program income not needed for immediate lending, all loan fees and loan-related charges received from borrowers and other income generated from RLF operations including proceeds from the sale, collection, or liquidations of assets acquired through defaults of loans.
- 2. In accordance with 2 CFR § 200.307 and 2 CFR § 1500.8, during the performance period of the cooperative agreement the CAR is authorized to add program income to the funds awarded by EPA and

use the program income under the same terms and conditions of this agreement unless otherwise specified (e.g., [Section IV.B.4.](#) regarding the minimum 50/50 split). Accordingly, program income may be used for administrative costs, including any applicable indirect costs, provided that the total amount of funds used for administrative costs does not exceed 5% of the sum of direct EPA funding plus the cost share, if applicable – see Section IV.A.1., and program income the CAR generates. CARs that intend to use program income for cost share for any other Brownfield Grants under 2 CFR § 200.307(c)(3) must obtain prior approval from the EPA Grant Management Officer or Award Official unless the cost share method for using program income was approved at time of award. Note that repayments of principal for loans made all or in part with cooperative agreement funds shall not be used for cost share for any other Brownfield Grants. These repayments of principal must be returned to the CAR's Brownfields Revolving Loan Fund.

3. In accordance with 2 CFR § 1500.8(c), to continue the mission of the Brownfields Revolving Loan Fund, recipients may use cooperative agreement funding prior to using program income funds generated by the revolving loan fund.

4. The CAR that elects to use program income to cover all or part of an RLF's programmatic costs shall maintain adequate accounting records and source documentation to substantiate the amount and percent of program income expended for eligible RLF programmatic costs, and comply with OMB cost principles at 2 CFR Part 200, Subpart E when charging costs against program income. For any cost determined by EPA to have been an ineligible or unallowable use of program income, the recipient shall reimburse the RLF or refund the amount to EPA as directed by the EPA Action Official in its disallowance determination. EPA will notify the recipient of the time period allowed for reimbursement or refund.

5. Loans or subgrants made with a combination of program income, post-closeout program income, cost share, if applicable – see Section IV.A.1., and/or direct funding from EPA are subject to the same terms and conditions as those applicable to this agreement. Loans and subgrants made with direct funding from EPA and/or cost share, if applicable – see Section IV.A.1., in combination with non-federal sources of funds are also subject to the same terms and conditions of this agreement.

6. The CAR must obtain the EPA Project Officer approval of the substantive terms of loans and subgrants made entirely with program income unless this requirement is waived by the EPA Project Officer.

## **E. Interest-Bearing Accounts**

1. The CAR must deposit advances of cooperative agreement funds (as described in [Section VII.A., Methods of Disbursement](#)) and program income (as defined earlier) in an interest-bearing account unique to this cooperative agreement [i.e., separate from funds for another open RLF cooperative agreement, and separate from post-closeout program income governed under a Closeout Agreement (COA) since separate reporting of funds is required under a COA]. Consistent with 2 CFR 200.305(d)(7) as well as the unique accounting requirements for states under 2 CFR 200.302(a) and 200.305(a), the CAR does not have to establish entirely separate bank accounts for EPA funds. The CAR does, however, have to be able to account for EPA funds (including cost share, if applicable – see Section IV.A.1., and program income) received, obligated, and expended, and Federal funds must be deposited and maintained in insured accounts whenever possible as required by the regulation. Subaccounts are allowed, as long as the interest earned and all funds for each of the CAR's open and post-closeout RLF grants can be accounted for accurately by the CAR.

2. Advances of EPA funds (and other Federal funds as well) must also be placed in interest bearing accounts as provided in 2 CFR § 200.305(b)(8) for CARs other than states which are subject to applicable Treasury regulations. Advances of EPA funds must be maintained in an account that is separate from the post-closeout program income in the RLF. While interest earned by CARs on advances of EPA funds should be minimal given the regulatory and T&C requirements for prompt disbursement of drawn down funds, any interest the CAR does earn on advanced Federal funds is subject to 2 CFR § 200.305(b)(9). This regulation generally requires that interest on advanced Federal funds in excess of \$500 must be transmitted annually to the U.S. Department of Health and Human Services.

3. Interest earned on program income is considered additional program income.

#### **F. Closeout Agreement and Use of Post Cooperative Agreement (i.e., Post-Closeout) Program Income**

1. As provided at 2 CFR § 200.307(f) and 2 CFR § 1500.8(c) after the end of the period of performance of the cooperative agreement, the CAR may keep and use program income at the end of the cooperative agreement (retained program income) and use program income earned after the cooperative agreement period of performance (post-closeout program income) in accordance with terms of a COA. At the end of the cooperative agreement period of performance, the CAR shall comply with the attached COA. This award is contingent upon the CAR signing and returning the attached COA to the EPA Project Officer no later than 30 days of award. The EPA Project Officer may grant an extension to the 30 days based on a CAR's request for extenuating circumstances. However, the CAR cannot draw down funds if the CAR has not submitted a signed FY22 COA that includes this assistance agreement number to the EPA Project Officer. The COA goes into effect for this assistance agreement number the day after the cooperative agreement period of performance ends unless otherwise designated by the EPA Grants Management Officer or Award Official. The period of performance is identified as the project period in the Notice of Award.

2. This COA is based on the FY22 RLF COA template. EPA plans to modify RLF COA templates every five years. EPA reserves the right to renegotiate the terms of this RLF COA every five years, in conjunction with the template change (e.g., next change will be in FY27). If the CAR agrees to continue to operate the RLF under a COA past FY27, the CAR shall work with the EPA Project Officer to update to the latest COA template. Otherwise, the Project Officer and CAR will negotiate a mutually acceptable disposition of unused program income, and an Authorized EPA Official (e.g., Grants Management Officer or Award Official) will modify the COA accordingly.

### **V. RLF REQUIREMENTS**

#### **A. Authorized RLF Cleanup Activities**

1. The CAR, or borrower/subgrantee with CAR concurrence, shall prepare an ABCA, or equivalent state Brownfields program document, which will include information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, ability to implement, and the cost of the response proposed. The evaluation of alternatives must also consider the resilience of the remedial options to address potential adverse impacts caused by extreme weather events and changing climate conditions (e.g., sea level rise, drought, increased

frequency and intensity of flooding, etc.). The alternatives may additionally consider the degree to which they reduce greenhouse gas discharges, reduce energy use or employ alternative energy sources, reduce volume of wastewater generated/disposed of, reduce volume of materials taken to landfills, and recycle and re-use materials generated during the cleanup process to the maximum extent practicable. The evaluation will include an analysis of reasonable alternatives including no action. The cleanup method chosen must be based on this analysis and documented in a decision document upon completion of the public comment period. The CAR, or borrower/subgrantee with CAR concurrence, must consult with the relevant state program (or EPA if there is not a state program that covers the site) to determine if the selected cleanup requires formal modification based on public comments or new information.

2. Prior to conducting or engaging in any on-site activity with the potential to impact historic properties (such as invasive sampling or cleanup), the CAR shall consult with the EPA Project Officer regarding potential applicability of the National Historic Preservation Act (NHPA) (16 USC § 470) and, if applicable, shall assist EPA in complying with any requirements of the NHPA and implementing regulations.

## **B. Quality Assurance (QA) Requirements**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

When environmental data are collected as part of the brownfield cleanup (e.g., cleanup verification sampling, post-cleanup confirmation sampling), the CAR shall comply with 2 CFR § 1500.12 requirements to develop and implement quality assurance practices sufficient to produce data adequate to meet project objectives and to minimize data loss. State law may impose additional QA requirements.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement Quality Assurance (QA) planning document[s] in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Assurance Project Plan (QAPP)**

a. Prior to beginning environmental information operations, the recipient must:

i. Provide EPA a copy of the recipient-approved QAPP if the recipient has an EPA-approved Quality Management Plan and a current EPA delegation to review and approve QAPPs.

b. The recipient must submit the QAPP 90 days after grant award, and/or no more than 180 days after grant award.

c. The recipient shall notify the EPA Project Officer and the EPA Quality Assurance Manager or designee (hereafter referred to as QAM) when substantive changes are needed to the QAPP. EPA may require the QAPP be updated and re-submitted for approval.

d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the EPA Project Officer and the QAM at least annually and may also be submitted when changes occur.

e. The recipient must submit a QAPP Checklist with the QAPP.

#### For Reference:

- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#).
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Specifications for EPA and Non-EPA Organizations](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

**3. Competency of Organizations Generating Environmental Measurement Data:** In accordance with Agency Policy Directive Number FEM-2012-02, *Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements*, the CAR agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the CAR agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The CAR shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/measurements-modeling/documents-about-measurement-competency-under-assistance-agreements> or a copy may also be requested by contacting the EPA Project Officer for this award.

#### C. Public Involvement and Community Outreach

1. All RLF loan and subgrant cleanup activities require a site-specific Community Involvement Plan that includes providing reasonable notice, and the opportunity for public involvement and comment on the proposed cleanup options under consideration for the site. All information, including responses to public comments and administrative records, may be made available to the public to the extent consistent with 2 CFR § 200.338 and applicable state, tribal, or local law.

#### D. Public Awareness

1. The CAR agrees to clearly reference EPA investments in the project during all phases of community outreach outlined in the EPA-approved workplan which may include the development of any post-project summary or success materials that highlight achievements to which this project contributed.

a. If any documents, fact sheets, and/or web materials are developed as part of this cooperative agreement, then they shall comply with the *Acknowledgement Requirements for Non-ORD Assistance Agreements* in the General Terms and Conditions of this agreement.

b. If the EPA logo is displayed along with logos from other participating entities on websites, outreach



materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the Illinois Environmental Protection Agency received financial support from the EPA under an Assistance Agreement per the term and condition described in Section V.D.1.a. above. More information is available at <https://www.epa.gov/stylebook/using-epa-seal-and-logo>.

c. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law." The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at <https://www.epa.gov/invest/investing-america-signage>.

d. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

3. The CAR agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction and/or site reuse projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

4. To increase public awareness of projects serving communities where English is not the predominant language, CARs are encouraged to include in their outreach strategies communication in non-English languages. Translation costs for this purpose are allowable, provided the costs are reasonable.

5. All public awareness activities conducted with EPA funding are subject to the provisions in the General Terms and Conditions on compliance with section 504 of the Americans with Disabilities Act.

## **E. Administrative Record**

1. The CAR shall establish an Administrative Record that contains the documents that form the basis for the selection of a cleanup plan. Documents in the Administrative Record shall include the ABCA; site investigation reports; the cleanup plan (or the contractor solicitation if it includes the cleanup plan); cleanup standards used; responses to public comments; and verification that shows that cleanups are complete. The CAR shall keep the Administrative Record available at a location convenient to the public and make it available for inspection. The Administrative Record must be retained for three (3) years after the termination of the cooperative agreement subject to any requirements for maintaining records of site cleanups ongoing at the time of termination contained in the CAR's COA.

## **F. Implementation of RLF Cleanup Activities**



1. The CAR shall ensure the adequacy of each RLF cleanup in protecting human health and the environment as it is implemented. Each loan and subgrant agreement shall contain terms and conditions, subject to any required approvals by the state or tribal regulatory oversight authority, that allow the CAR to change cleanup activities as necessary based on comments from the public or any new information acquired.

2.. If the borrower or subgrantee is unable or unwilling to complete the RLF cleanup, the CAR shall ensure that the site is secure. The CAR shall notify the appropriate state agency and EPA to ensure an orderly transition should additional activities become necessary.

#### **G. Completion of RLF Cleanup Activities**

1. The CAR shall ensure that the successful completion of an RLF cleanup is properly documented. This must be done through a final report or letter from a Qualified Environmental Professional, or other documentation provided by a State or Tribe that shows cleanups are complete (including No Further Action letters, institutional controls, etc.). This documentation must be included as part of the Administrative Record.

### **VI. REVOLVING LOAN FUND REQUIREMENTS**

#### **A. Prudent Lending and Subgranting Practices**

1. The CAR is expected to establish economically sound structures and day-to-day management and processing procedures to maintain the RLF and meet longterm brownfield cleanup lending/subgranting objectives. These include establishing: underwriting principles that can include the establishment of interest rates, repayment terms, fee structure, and collateral requirements sufficient to recover, as a minimum, the principal amount of the loan less any repayment discounts; and, lending/subgranting practices that can include loan/subgrant processing, documentation, approval, servicing, administrative procedures, collection, and recovery actions. Intra-governmental loans may be made consistent with EPA's guidance with the approval of the EPA Project Officer. Governmental recipients may not make intra-governmental subgrants. Nonprofit recipients may not make intra-entity loans and subgrants without EPA Project Officer approval of a waiver.

2. The CAR shall not incur costs under this cooperative agreement for loans subgrants or other eligible costs until an RLF cooperative agreement workplan has been submitted to and approved by the EPA Project Officer or program manager. The CAR shall ensure that the objectives of the workplan are met through its or the fund manager's selection and structuring of individual loans/subgrants and lending/subgranting practices. These activities shall include, but not be limited to the following:

a. Considering awarding subgrants on a competitive basis. If the CAR decides not to award any such subgrants competitively, it must document the basis for that decision and inform the EPA Project Officer in the first quarterly performance report. The CAR must inform the EPA Project Officer if the CAR subsequently decides to award subgrants competitively in the quarterly performance report immediately following the decision.

b. Establishing appropriate project selection criteria consistent with federal and state requirements, the intent of the RLF program, and the cooperative agreement entered into with EPA.

c. Establishing threshold eligibility requirements whereby only eligible borrowers or subgrantees receive RLF financing.

d. Developing a formal protocol for potential borrowers or subgrantees to demonstrate eligibility, based on the procedures described in the initial RLF application proposal and cooperative agreement application. Such a protocol shall include descriptions of projects that will be funded, how loan monies will be used, and qualifications of the borrower or subgrantee to make legitimate use of the funds. Additionally, CARs shall ask borrowers or subgrantees for an explanation of how a project, if selected, would be consistent with RLF program objectives, statutory requirements and limitations, and protect human health and the environment.

e. Requiring that borrowers or subgrantees submit information describing the borrower's or subgrantee's environmental compliance history. The CAR shall consider this history in an analysis of the borrower or subgrant recipient as a cleanup and business risk.

f. Establishing procedures for handling the day-to-day management and processing of loans and repayments.

g. Establishing standardized procedures for the disbursement of funds to the borrower or subgrantee.

## **B. Inclusion of Additional Terms and Conditions in RLF Loan and Subgrant Documents**

1. All loans and subgrants must include the information required by 2 CFR § 200.332(a). EPA has developed an optional template to use in creating this agreement that is available on EPA's [Subaward Policy](#) internet page. EPA does not require CARs to use the template.

2. The CAR shall ensure that the borrower or subgrantee meets the cleanup and other program requirements of the RLF cooperative agreement by including the following special terms and conditions in RLF loan agreements and subgrants:

a. Borrowers or subgrantees shall use funds only for eligible activities and in compliance with the requirements of CERCLA § 104(k) and applicable federal and state laws and regulations. (See [Section I. A.2.](#) and [Section II.](#))

b. Borrowers or subgrantees shall ensure that the cleanup protects human health and the environment.

c. Borrowers or subgrantees shall document how funds are used.

d. Borrowers or subgrantees shall maintain records for a minimum of three (3) years following completion of the cleanup financed all or in part with RLF funds unless one of the conditions described at [2 CFR § 200.334](#) is present. Borrowers or subgrantees shall obtain written approval from the CAR prior to disposing of records, so that the CAR can maintain the records, if necessary, for complying with the CAR's obligations under [2 CFR § 200.334](#). CARs shall also require that the borrower or subgrantee provide access to records relating to loans and subgrants supported with RLF funds to authorized representatives of the federal government. As stated in the attached COA, records related to the COA must be retained by the CAR for the duration of the COA and retained for a period of three (3) years following termination or discontinuation of the COA.

e. Borrowers or subgrantees shall certify that they are not currently, nor have they been, subject to any

penalties resulting from environmental noncompliance at the site subject to the loan or subgrant.

f. Borrowers or subgrantees shall certify that they are not potentially liable under CERCLA § 107 for the site or that, if they are, they qualify for a limitation or defense to liability under CERCLA. If asserting a limitation or defense to liability, the borrower or subgrantee must state the basis for that assertion. When using cooperative agreement funds for petroleum-contaminated brownfield sites, borrowers or subgrantees shall certify that they are not a viable responsible party or potentially liable for the petroleum contamination at the site. The CAR may consult with EPA for assistance with this matter.

g. Borrowers or subgrantees shall conduct cleanup activities as required by the CAR.

h. Subgrantees, other than borrowers, shall comply with all applicable EPA assistance regulations (2 CFR Parts 200 and 1500). All procurements conducted with subgrant funds, but not loans, must comply with Procurement Standards of 2 CFR §§ 200.317 through 200.327, as applicable.

i. Borrowers must comply with the internal control requirements specified at 2 CFR § 200.303 and are subject to the 2 CFR Part 200, Subpart F, *Audit Requirements*. The CAR must oversee and manage loans as required by 2 CFR §§ 200.330 through 200.332. No other provisions of the Uniform Grant Guidance apply directly to borrowers.

j. A term and condition or other legally binding provision shall be included in all loans and subgrants entered into with the funds under this agreement, or when funds awarded under this agreement are used in combination with non-federal sources of funds, to ensure that borrowers and subgrantees comply with all applicable federal and state laws and requirements. In addition to CERCLA § 104(k), federal applicable laws and requirements include 2 CFR Parts 200 and 1500.

k. EPA provides general information on statutes, regulations and Executive Orders that apply to EPA grants on the [Grants internet site](http://www.epa.gov/grants) at [www.epa.gov/grants](http://www.epa.gov/grants). Many federal requirements are agreement or program specific and EPA encourages CARs to review the terms of their cooperative agreement carefully and consult with their EPA Project Officer for advice if necessary.

### C. Default

1. In the event of a loan default, the CAR shall make reasonable efforts to enforce the terms of the loan agreement including proceeding against the assets pledged as collateral to cover losses to the loan. If the cleanup is not complete at the time of default, the CAR is responsible for:

a. documenting the nexus between the amount paid to the borrower (bank or other financial institution) and the cleanup that took place prior to the default; and

b. securing the site (e.g., ensuring public safety) and informing the EPA Project Officer and the State.

### D. Conflict of Interest

1. The CAR shall establish and enforce conflict of interest provisions that prevent the award of subawards that create real or apparent personal conflicts of interest, or the CAR's appearance of lack of impartiality. Such situations include, but are not limited to, situations in which an employee, official, consultant, contractor, or other individual associated with the CAR (affected party) approves or administers a grant or subaward to a subaward recipient in which the affected party has a financial or

other interest. Such a conflict of interest or appearance of lack of impartiality may arise when:

- a. The affected party,
- b. Any member of his immediate family,
- c. His or her partner, or
- d. An organization which employs, or is about to employ, any of the above, has a financial or other interest in the subrecipient.

Affected employees will neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients. Recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by affected parties.

## VII. DISBURSEMENT, PAYMENT, AND CLOSEOUT

For the purposes of these Terms and Conditions, the following definitions apply: “payment” is

EPA's transfer of funds to the CAR; the CAR incurs an “obligation” when it enters into an agreement with a borrower or a subgrantee; “disbursement” is the transfer of funds from the CAR to the borrower or subgrantee. The CAR may also disburse funds to a contractor or to pay an allowable cost (e.g. personnel compensation) as provided in [2 CFR § 200.305\(b\)\(1\)](#). “Closeout” refers to the process EPA follows to both ensure that all administrative actions and work required under the cooperative agreement have been completed and to establish a COA to govern the use of retained and post-closeout program income.

### A. Methods of Disbursement

1. The CAR may choose to disburse funds to the borrower or subgrantee by means of ‘actual expense’ or ‘schedule.’ If the schedule method is used, the recipient must ensure that the schedule is designed to reasonably approximate the borrower's or subgrantee's incurred costs.

a. An ‘actual expense’ disbursement approach requires the borrower or subgrantee to submit documentation of the borrower's or subgrantee's expenditures (e.g., invoices) to the CAR prior to requesting payment from EPA.

b. A ‘schedule’ disbursement is one in which all, or an agreed upon portion, of the obligated funds are disbursed to the borrower or subgrantee on the basis of an agreed upon schedule (e.g., progress payments) provided the schedule minimizes the time elapsing between disbursement by the CAR and the borrower or subgrantee's payment of costs incurred in carrying out the loan/subgrant. In unusual circumstances, disbursement may occur upon execution of the loan or subgrant. The CAR shall submit documentation of disbursement schedules to EPA.

c. If the disbursement schedule of the loan/subgrant agreement calls for disbursement of the entire

amount of the loan/subgrant upon execution, the CAR shall demonstrate to the EPA Project Officer that this method of disbursement is necessary for purposes of cleaning up the site covered by the loan/subgrant. Further, the CAR shall include an appropriate provision in the loan/subgrant agreement which ensures that the borrower/subgrantee uses funds promptly for costs incurred in connection with the cleanup and that interest accumulated on schedule disbursements is applied to the cleanup.

## **B. Schedule for Closeout**

1. Assuming any applicable cost share requirement has been satisfied (see Section IV.A.1.), there are two fundamental criteria for closeout:

a. Final payment of funds from EPA to the CAR following the end date for the project and budget period of the cooperative agreement as part of the closeout process or prior to the end date when the CAR has disbursed all of the EPA funding of the funds awarded; and

b. Completion of all workplan and cleanup activities funded completely, or in part, by direct EPA funding from the amount of the award.

2. The first criterion of cooperative agreement closeout is met when the CAR receives all payments from EPA. The second closeout criterion is met when all workplan and cleanup activities funded by the cooperative agreement are complete.

3. The CAR must follow the attached COA for any retained and future program income generated after closeout (i.e., post-closeout program income). Eligible uses include continuing to operate an RLF for brownfield site cleanup and/or other brownfield site activities as identified in the attached COA.

## **C. Compliance with Closeout Schedule**

1. If the CAR fails to comply with the closeout schedule, any funds attributable to the cooperative agreement, including retained program income not obligated under loan agreement to a borrower or subgrantee, may be subject to federal recovery.

## **D. Final Requirements**

1. The CAR must submit the following documentation:

a. The Final Cooperative Agreement Performance Report as described in [Section III.F.](#) of these Terms and Conditions.

b. Administrative and Financial Reports as described in the General Terms and Conditions of this agreement.

2. The CAR must ensure that all appropriate data have been entered into ACRES or all hardcopy Property Profile Forms are submitted to the EPA Project Officer.

## **E. Recovery of RLF Assets**

1. In case of termination, the CAR shall return to EPA its fair share of the value of the RLF assets consisting of cash, receivables, personal and real property, and notes or other financial instruments

developed through use of the funds. EPA's fair share is the amount computed by applying the percentage of EPA participation in the total capitalization of the RLF to the current fair market value of the assets thereof. EPA also has remedies under *Remedies for Noncompliance* at 2 CFR §§ 200.339 through 200.342 and CERCLA § 104(k) when EPA determines that the value of such assets has been reduced by improper/illegal use of cooperative agreement funding. In such instances, the CAR may be required to compensate EPA over and above the EPA's share of the current fair market value of the assets. Nothing in this agreement limits EPA's authorities under CERCLA to recover response costs from a potentially responsible party.

## F. Loan Guarantees

1. If the CAR chooses to use the RLF funds to support a loan guarantee approach, the following terms and conditions apply:

a. The CAR shall:

- i. Document the relationship between the expenditure of CERCLA § 104(k) funds and cleanup activities;
- ii. Maintain an escrow account expressly for the purpose of guaranteeing loans, by following the payment requirement described under the Escrow Requirements term and condition below; and
- iii. Ensure that cleanup activities guaranteed by RLF funds are carried out in accordance with CERCLA § 104(k), CERCLA § 104(g) relating to compliance with the Davis-Bacon Act, and applicable federal and state laws and will protect human health and the environment.

b. Payment of funds to a CAR shall not be made until a guaranteed loan has been issued by a participating financial institution. Loans guaranteed with RLF funds shall be made available as needed for specified cleanup activities on an "actual expense" or "schedule" basis to the borrower. (See [Section VII.A, Methods of Disbursement](#)). The CAR's escrow arrangement shall be structured to ensure that the CERCLA § 104(k) funds are properly "disbursed" by the recipient for the purposes of the cooperative agreement as required by 2 CFR § 200.305. If the funds are not properly disbursed, the CERCLA § 104(k) funds that the recipient places in an escrow account will be subject to the interest recovery provisions of 2 CFR § 200.305.

c. To ensure that funds transferred to the CAR are disbursements of assisted funds, the escrow account shall be structured to ensure that:

- i. The recipient does not retain the funds;
- ii. The recipient does not have access to the escrow funds on demand;
- iii. The funds remain in escrow unless there is a default of a guaranteed loan;
- iv. The organization holding the escrow (i.e., the escrow agency), shall be a bank or similar financial institution that is independent of the recipient; and
- v. There must be an agreement with the financial institution participating in the guaranteed loan program which documents that the financial institution has made a guaranteed loan to clean up a



brownfield site in exchange for access to funds held in escrow in the event of a default by the borrower or subgrantee.

d. Federal Obligation to the Loan Guarantee Program - Any obligations that the CAR incurs for loan guarantees in excess of the amount awarded under the cooperative agreement are the CAR's responsibility. This limitation on the extent of the Federal Government's financial commitment to the CAR's loan guarantee program shall be communicated to all participating banks and borrower or subgrantee.

e. Repayment of Guaranteed Loans - Upon repayment of a guaranteed loan and release of the escrow amount by the participating financial institution, the CAR shall return the cooperative agreement funds placed in escrow to EPA based on disposition instructions provided by the EPA Project Officer. Alternatively, the CAR may, with EPA approval:

- i. Guarantee additional loans under the terms and conditions of the agreement; or
- ii. Amend the terms and conditions of the agreement to provide for another disposition of funds that will redirect the funds for other brownfield sites' related activities authorized by the terms of the cooperative agreement or, if applicable, a COA.

<sup>[1]</sup> When EPA uses the term “underserved communities” it has the meaning defined in Executive Order 13985: *Advancing Racial Equity And Support For Underserved Communities Through The Federal Government*, which defines “underserved communities” as “populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life as exemplified in the preceding definition of equity.” As described in the Executive Order, the term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, which may include Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. It also includes “communities environmentally overburdened,” that is, a community adversely and disproportionately affected by environmental and human health harms or risks, and “disadvantaged, communities” as referenced in Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, and defined in Office of Management and Budget's Memo M-21-28: Interim Implementation Guidance for the Justice40 Initiative.

<sup>[2]</sup> Per EPA's General Term and Condition, the CAR must obtain prior approval from the EPA Grants Management Officer or Award Official for cumulative transfers of funds in excess of 10% of the total budget.

## **Davis-Bacon Labor Standards Term and Condition**

### **1. Program Applicability**

- a. Program Name: Brownfields Program

b. Statute requiring compliance with Davis-Bacon: Brownfields Direct Cleanup and Revolving Loan Fund Grants authorized by 42 U.S.C. 9604(k) are subject to Davis-Bacon and Related Acts (DBRA) as provided in 42 U.S.C. 9604(g)

c. Activities subject to Davis-Bacon

1. Brownfield Sites Contaminated with Hazardous Substances: All construction, alteration, and repair activity involving the remediation of hazardous substances is subject to DBRA. This includes:

Excavation of contaminated soil;

Construction of caps, barriers, and structures which permanently house treatment equipment;

Installation of water supply wells/piping/connections;

Abatement of contamination in buildings; and

Demolition (if followed by new construction).

2. Brownfield Sites Contaminated with Petroleum: DBRA prevailing wage requirements apply when the project includes:

Excavation of contaminated soil and/or tank removal if followed by paving and concrete replacement, or if it is an extensive soil excavation project;

Construction of caps, barriers, and structures which permanently house treatment equipment; and

Installation of water supply wells/piping/connections and related excavation and replacement of contaminated soil.

d. Prevailing Wage Classification (e.g. Heavy Construction, Building, Residential, Highway) (if available)

Heavy Construction: EPA has determined the "Heavy Construction" classification should be used when soliciting competitive contracts or issuing ordering instruments to existing contractors for:

Excavation and removal of contaminated soil;

Construction of caps or barriers;

Replacement of paving and concrete; and

Installation of water supply wells/piping/connections.

Building Construction: EPA has determined the "Building Construction" classification should be used when soliciting competitive contracts or issuing ordering instruments for the construction of:

Demolition (if followed by new construction);

Construction of structures which permanently house treatment equipment; and

Abatement of contamination in buildings (other than residential structures less than 4 stories in height).

Residential Construction: EPA has determined the “Residential Construction” classification should be used when soliciting competitive contracts or issuing ordering instruments for the abatement of contamination in residential structures less than 4 stories in height.

e. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

[NPMs, POs, or GSs should not modify any information below this text.]

## 2. Davis-Bacon and Related Acts

[Davis-Bacon and Related Acts \(DBRA\)](#) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

## 3. Recipient Responsibilities When Entering Into and Managing Contracts:

### a. Solicitation and Contract Requirements:

i. **Include the Correct Wage Determinations in Bid Solicitations and Contracts:** Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

ii. **Include DBRA Requirements in All Contracts:** Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the [DBRA Requirements for Contractors and Subcontractors Under EPA Grants](#).”

### b. After Award of Contract:

i. **Approve and Submit Requests for Additional Wages Rates:** Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

ii. **Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions:** Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

## 4. Recipient Responsibilities When Establishing and Managing Additional Subawards:


**a. Include DBRA Requirements in All Subawards (including Loans):**

Include the following text on all subawards under this grant:

**“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients](#).”**

**b. Provide Oversight to Ensure Compliance with DBRA Provisions:** Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 00E03241 MODIFICATION NUMBER: 0 PROGRAM CODE: 4C		DATE OF AWARD 09/20/2022
		TYPE OF ACTION New		MAILING DATE 09/23/2022
		PAYMENT METHOD: ASAP		ACH# 50183
		RECIPIENT TYPE: State		
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
PROJECT MANAGER Nidhan Singh 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Nidhan.Singh@illinois.gov Phone: 217-524-4337		EPA PROJECT OFFICER Andrew Bielanski 77 West Jackson Blvd. , WS-15J Chicago, IL 60604-3507 Email: Bielanski.Andrew@epa.gov Phone: 312-886-0208		EPA GRANT SPECIALIST Dianne Reyes Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Reyes.Dianne@epa.gov Phone: 312-886-8097
<b>PROJECT TITLE AND DESCRIPTION</b> FFY 2022 Illinois EPA Clean Water SRF -- BIL Supplemental Grant  The purpose of this agreement is for a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), which provides funds for the recipient's Clean Water State Revolving Fund (CWSRF) program. The activities are to provide low interest financing to numerous subrecipients for costs associated with the planning, design, and construction of eligible water quality improvement and protection projects. The benefits of this grant will be to capitalize the recipient's CWSRF. The expected outcomes are to establish and manage an effective comprehensive CWSRF program and to maintain a self-sustaining revolving fund to improve and protect water quality and public health for citizens throughout the state. CWSRF loans made under this grant will fund a variety of eligible wastewater projects.				
BUDGET PERIOD 07/01/2022 - 06/30/2026	PROJECT PERIOD 07/01/2022 - 06/30/2026	TOTAL BUDGET PERIOD COST \$88,543,400.00	TOTAL PROJECT PERIOD COST \$88,543,400.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 07/14/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$80,494,000.00. EPA agrees to cost-share <u>90.91%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$80,494,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 5 , U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		ORGANIZATION / ADDRESS U.S. EPA, Region 5, Water Division R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				DATE 09/20/2022

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$80,494,000	\$80,494,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$8,049,400	\$8,049,400
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$88,543,400	\$88,543,400

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.458 - Capitalization Grants for Clean Water State Revolving Funds	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

[illegible]



## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$88,543,400
9. Total Direct Charges	\$88,543,400
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$88,543,400
12. Total Approved Assistance Amount	\$80,494,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$80,494,000
15. Total EPA Amount Awarded To Date	\$80,494,000

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>. These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award. The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and DBE Coordinator, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Grants Specialist, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- Payment requests (if applicable): Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov) and Grants Specialist, Dianne Reyes at [reyes.dianne@epa.gov](mailto:reyes.dianne@epa.gov);
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Project Officer, Andrew Bielanski at [bielanski.andrew@epa.gov](mailto:bielanski.andrew@epa.gov)

### **B. Pre-Award Costs**

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **07/01/2022** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **FFY 2022 BIL/IIJA CWSRF General Supplemental Programmatic Terms and Conditions**

#### **A. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
FFY2023/Quarter 1	10/1/2022	\$80,494,000

#### **B. State Match**

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 10 percent of the amount awarded in the capitalization grant.

#### **C. Intended Use Plan and Operating Agreement**

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

#### **D. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Clean Water SRF (CWSRF) program. The recipient agrees to use CWSRF funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

#### **E. SRF Data System and Environmental Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Title VI of the Clean Water Act (CWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 117-103 (the Consolidated Appropriations Act, 2022), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

#### **F. Annual Reporting**

In accordance with 2 CFR 200.328 and 40 CFR 35.3165 the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental results; 4) compliance with the Green Project Reserve requirement; and 5) use of additional subsidization.

#### **G. Program Income from Administrative Fees**

Program income earned during the grant period may be used for the specific purposes identified in 2 CFR 200.307 and 2 CFR 1500-7. The recipient agrees to comply with EPA's "Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance" issued October 20, 2005, as amended by subsequent guidance. Specifically, the State has agreed: 1) to maintain records which account for fees separate from the CWSRF project fund, 2) to identify in the IUP all types of fees charged on loans, including the fee rate, and the amount of fees available, and 3) to include in the annual report the types of fees charged on loans, the amount of fees collected, and how those amounts were used.

#### **H. Signage**

The recipient agrees to comply with the SRF Signage Guidelines in order to enhance public awareness of EPA assistance agreements nationwide. (See "[Guidelines for Enhancing Public Awareness of SRF Assistance Agreements](#)," June 3, 2015.)

#### **I. Green Project Reserve**

The recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories. The State's annual open solicitation for projects will be deemed sufficient for these purposes as long as that solicitation was open to all GPR eligible projects in each of the four GPR categories. The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount equal to at least 10 percent of its capitalization grant. The state must document the GPR solicitation process in its IUP and Annual Report and explain, if applicable, why GPR projects totaling at least 10 percent of the capitalization grant were not able to be funded. Any State not meeting the 10 percent requirement must outline in the Annual Report how they will expand their GPR solicitation for the following year.

#### **J. Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients or project types as described in section 603(i) of the CWA in the form of forgiveness of principal or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

#### **K. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

#### **L. American Iron and Steel (AIS)**

(a) *Definitions.* As used in this award term and condition—

- (1) "iron and steel products" mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks,

flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) "steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Title VI of the CWA by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph

(b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request

shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Title VI of the CWA.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

#### **M. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **N. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

#### **O. Wage Rate Requirements**



The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by Title VI of the Federal Water Pollution Control Act, also known as the CWA, (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

## **Preamble**

With respect to the CWSRF program, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section I-3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **ATTACHMENT 1**

### **I. Requirements Under Title VI of the Clean Water Act (CWA) For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under Title VI of the CWA - with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact EPA's Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361 for guidance. The recipient or sub recipient may also obtain additional guidance from the U.S. Department of Labor's (DOL) website at <http://www.dol.gov/whd/>

#### **1. Applicability of the DB prevailing wage requirements.**

Under Title VI of the CWA, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of

the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from <https://sam.gov/> into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or Title VI of the CWA, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or

mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials

to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov), and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DB prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has

been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of



Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### (4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable

predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall

be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the DOL, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any

liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior

to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

## **II. Requirements Under Title VI of the CWA - For Sub recipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under Title VI of the CWA with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact Suzanne Hersh at [Hersh.Suzanne@epa.gov](mailto:Hersh.Suzanne@epa.gov) or 202-564-3361, EPA Office of Grants and Debarment for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

**Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

### **1. Applicability of the DB prevailing wage requirements.**

Under Title VI of the CWA, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

### **2. Obtaining Wage Determinations.**

(a) Sub recipients must obtain proposed wage determinations for specific localities at <https://sam.gov/>. After the sub recipient obtains its proposed wage determination, it must submit the



wage determination to the State recipient for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor <https://sam.gov/> on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90-day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor <https://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from sam.gov into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage



determination.

### **3. Contract and Subcontract provisions.**

- a. The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or Title VI of the CWA, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3) ), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the DB Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the DB poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from DOL's website, <https://sam.gov/>.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore

only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit a completed conformance request form (SF-1444 or similar) which indicates the State award official's disagreement and supporting materials to [WHD-CBACONFORMANCE\\_INCOMING@dol.gov](mailto:WHD-CBACONFORMANCE_INCOMING@dol.gov) and to the EPA DB Regional Coordinator concurrently. The DOL Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the DB Act have been met. The Secretary of Labor may require the contractor to set aside assets in a separate account for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to DOL prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the DB Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the DB Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead, the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site.

The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the DOL for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the EPA or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Office of

Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment



and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with DB and Related Act requirements. All rulings and interpretations of the DB and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the DOL set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, DOL, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the DB Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include



watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the DOL, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.


(c) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or

transcription by authorized representatives of the EPA and the DOL, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(3), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c). The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d). The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S DOL or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/agencies/whd/contact/local-offices>.

# **EXHIBIT B**

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 00E03422	DATE OF AWARD
		MODIFICATION NUMBER: 0	09/05/2023
		PROGRAM CODE: 5A	MAILING DATE
		TYPE OF ACTION New	09/08/2023
RECIPIENT TYPE: State		PAYMENT METHOD: ASAP	
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		ACH# 50183	
Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST	
Bill Marr 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Bill.Marr@illinois.gov Phone: 217-557-0312	Lisa Holscher 77 W. Jackson Blvd., AR-18J Chicago, IL 60604-3507 Email: Holscher.Lisa@epa.gov Phone: 312-886-6818	Robert Young Assistance Section, MA-10J 77 W. Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128	
<b>PROJECT TITLE AND DESCRIPTION</b> IEPA Clean Air Act Grant under Inflation Reduction Act 2023  This agreement provides funding under the Inflation Reduction Act (IRA) to the Illinois Environmental Protection Agency (IEPA). The purpose of this grant is to develop a toxic pollutant program that can be used to support permitting of sources particularly those located in Environmental Justice (EJ) areas as well as other Bureau of Air programs. Specifically, the recipient will develop a database of existing air toxics standards and a screening tool that can be utilized in modeling analyses and other Bureau of Air tasks. The activities include research applicable air toxics standards that may be utilized in EJ modeling analyses; develop support documents for modeling and other Agency tasks with particular emphasis on EJ areas; and train staff in air toxics risk analyses and modeling. The anticipated deliverables include a database of air toxics standards, support materials for IEPA staff, and a screening tool for use by IEPA staff. The expected outcomes include consistency in air toxics risk and modeling analyses, consistency in approach for permitting and modeling in EJ areas, and increased knowledge of air toxics risk analyses and modeling. The intended beneficiaries are the residents of the State of Illinois. No subawards are included in this assistance agreement.			
BUDGET PERIOD 08/01/2023 - 07/31/2026	PROJECT PERIOD 08/01/2023 - 07/31/2026	TOTAL BUDGET PERIOD COST \$859,213.00	TOTAL PROJECT PERIOD COST \$859,213.00
<b>NOTICE OF AWARD</b>  Based on your Application dated 04/21/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$859,213.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$859,213.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 W. Jackson Blvd., A18J Chicago, IL 60604-3507	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch			DATE 09/05/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$859,213	\$859,213
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$859,213	\$859,213

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.034 - Surveys-Studies-Investigations-Demonstrations and Special Purpose Activities relating to the Clean Air Act	Clean Air Act: Sec. 103	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$315,042
2. Fringe Benefits	\$293,453
3. Travel	\$0
4. Equipment	\$5,709
5. Supplies	\$19,623
6. Contractual	\$0
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$633,827
10. Indirect Costs: 37.04 % Base See Table B	\$225,386
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$859,213
12. Total Approved Assistance Amount	\$859,213
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$859,213
15. Total EPA Amount Awarded To Date	\$859,213

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carryforward at 37.04% Valid 7/1/23 to 6/30/24	\$0
2. Base: Direct salaries and wages including applicable divisional fringe benefits.	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0



## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:  
<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)  
MBE/WBE reports (EPA Form 5700-52A): [tukes.michael@epa.gov](mailto:tukes.michael@epa.gov) and **Robert Young at**  
[young.robert@epa.gov](mailto:young.robert@epa.gov)

All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Lisa Holscher at** [Holscher.Lisa@epa.gov](mailto:Holscher.Lisa@epa.gov) and **Robert Young at**  
[young.robert@epa.gov](mailto:young.robert@epa.gov)

Payment requests (if applicable): **Lisa Holscher at** [Holscher.Lisa@epa.gov](mailto:Holscher.Lisa@epa.gov)

Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Lisa Holscher at** [Holscher.Lisa@epa.gov](mailto:Holscher.Lisa@epa.gov)

### **B. Pre-award Costs**

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **8/1/23** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **Grant Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the

assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

#### **Performance Reports - Frequency**

The recipient agrees to submit **semi-annual** performance reports electronically to the EPA Project Officer within 30 days after the reporting periods end (every six-month period). The reporting periods are August 1 - January 31; February 1 - July 31.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

#### **B. State Grant Cybersecurity**


(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b> <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00E03460		DATE OF AWARD 06/30/2023		
			MODIFICATION NUMBER: 0				
			PROGRAM CODE: 5D		TYPE OF ACTION New		MAILING DATE 07/06/2023
			PAYMENT METHOD: ASAP		ACH# 50183		
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov				
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276				
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST			
Laura Roche 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: laura.roche@illinois.gov Phone: 217-782-9540		Juan Morales 77 West Jackson Blvd., AR-18J Chicago, IL 60604-3507 Email: morales.juan@epa.gov Phone: 312-886-6036		Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Houston-Williams.Kimberly@epa.gov Phone: 312-353-7928			
PROJECT TITLE AND DESCRIPTION IEPA - CPRG See Attachment 1 for project description.							
BUDGET PERIOD 06/01/2023 - 05/31/2027		PROJECT PERIOD 06/01/2023 - 05/31/2027		TOTAL BUDGET PERIOD COST \$3,000,000.00			
				TOTAL PROJECT PERIOD COST \$3,000,000.00			
<b>NOTICE OF AWARD</b> <p>Based on your Application dated 04/28/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$3,000,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$3,000,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>							
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE				
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS				
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 West Jackson Blvd., A-18J Chicago, IL 60604-3507				
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY							
Digital signature applied by EPA Award Official for William Massie - Manager, Acquisition and Assistance Branch Tijuanna Dessausure-Decoster - Award Official Delegate					DATE 06/30/2023		

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$3,000,000	\$3,000,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$3,000,000	\$3,000,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.046 - Climate Pollution Reduction Grants	Clean Air Act: Sec. 137	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$3,000,000
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$3,000,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$3,000,000
12. Total Approved Assistance Amount	\$3,000,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$3,000,000
15. Total EPA Amount Awarded To Date	\$3,000,000

**Attachment 1 - Project Description**

This agreement provides funding under the Inflation Reduction Act (IRA) to the Illinois Environmental Protection Agency (IEPA) to develop a comprehensive, economy-wide climate mitigation plan that will support actions to reduce greenhouse gases (GHG) and harmful air pollutants and to conduct meaningful engagement with low-income and disadvantaged communities. Specifically, the recipient will develop climate action plans that focus on equity and substantial stakeholder engagement. In general, activities include the development, updating, and evaluation of plans to reduce climate pollution (i.e., to reduce GHG emissions and/or enhance carbon sinks). Specific activities include: the development of a state GHG emissions inventory, analysis of GHG emissions targets and projections, and quantification of GHG reduction measures. Three key deliverables will be produced and submitted over the course of the four-year program period, including: a Priority Climate Action Plan (PCAP), due March 1, 2024; a Comprehensive Climate Action Plan (CCAP), due two years from the date of the award; and a Status Report, due at the close of the grant period.

The expected outcomes include a PCAP and CCAP that identifies: tons of pollution (GHGs and co-pollutants) reduced over the lifetime of the measures; tons of pollution (GHGs and co-pollutants) reduced annually; and tons of pollution (GHGs and co-pollutants) reduced with respect to low-income and disadvantaged communities.

The intended beneficiaries include residents of Illinois and the environment. No subawards are included in this assistance agreement.



## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:  
<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

·Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Kimberly Houston houston-williams.kimberly@epa.gov**

·MBE/WBE reports (EPA Form 5700-52A): **region5closeouts@epa.gov**

·All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **morales.juan@epa.gov and houston-williams.kimberly@epa.gov**

·Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Juan Morales morales.juan@epa.gov**

### **B. Pre-Award Costs**

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **[6/1/2023]** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## **Programmatic Conditions**

### **Climate Pollution Reduction Grants Specific Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

### **Performance Reports - Frequency**

Quarterly performance reports are required to be submitted electronically to the EPA Project Officer within 30 calendar days after the reporting period. Quarterly reports are due according to the following schedule. If a due date falls on a weekend or holiday, the report will be due on the next business day. If a project start date falls within a defined reporting period, the recipient must report for that period by the given due date unless otherwise noted. This quarterly reporting schedule shall be repeated for the duration of the award agreement.

June 1 – August 31 Reporting Period: report due date September 30

September 1 – November 30 Reporting Period: report due date December 30

December 1 – February 28 Reporting Period: report due date March 30

March 1 – May 31 Reporting Period: report due date June 30

**The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.**

## **B. DELIVERABLES AND REQUIREMENTS**

**States that accept an award are required to produce and electronically submit the following three deliverables by the date specified:**

1.) By March 1, 2024, a Priority Climate Action Plan (PCAP), which is a narrative report that includes a focused list of near-term, high-priority, implementation ready measures to reduce Greenhouse Gas (GHG) pollution and an analysis of GHG emissions reductions that would be achieved through implementation. These initial plans can focus on a specific sector or selected sectors, and do not need to comprehensively address all sources of GHG emissions and sinks in the jurisdiction. The PCAP must include: a GHG inventory; quantified GHG reduction measures; a low-income and disadvantaged communities benefits analysis; and a review of authority to implement.

2.) A Comprehensive Climate Action Plan (CCAP), due 2 years from the date of the award. The CCAP is a narrative report that should touch on all significant GHG sources/sinks and sectors present in a state or metropolitan area, establish near-term and long-term GHG emission reduction goals, and provide strategies and identify measures to achieve those goals. Each CCAP must include: a GHG inventory; GHG emissions projections; GHG reduction targets; quantified GHG reduction measures; a benefits analysis for the full geographic scope and population covered by the plan; a low-income and

disadvantaged communities benefits analysis; a review of authority to implement; a plan to leverage other federal funding; and, a workforce planning analysis.

3.) A Status Report, due at the closeout of the 4-year grant period. This report should include the implementation status of the quantified GHG reduction measures included in the CCAP; any relevant updated analyses or projections supporting CCAP implementation; and, next steps and future budget/staffing needs to continue CCAP implementation.

States must coordinate with municipalities and air pollution control agencies within their state to include priority measures that are implementable by those entities. States are further encouraged to similarly coordinate with tribes. In all cases, the lead organization for a state or metropolitan area PCAP funded through the CPRG program must make the PCAP available to other entities by March 1, 2024 for their use in developing an implementation grant application.

State lead organizations must involve stakeholder groups and the public in the process for developing the PCAP and CCAP. Potential stakeholders include urban, rural, and underserved or disadvantaged communities as well as the general public, governmental entities, federally recognized tribes, Port Authorities, labor organizations, community and faith-based organizations, and private sector and industry representatives.

## **C. Cybersecurity Condition**

### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has

contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **D. Competency Policy**

##### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements,

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable. Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

#### **E. Public or Media Events**

The Recipient agrees to notify the EPA Project Officer listed in this award document of public or media events related to activities accomplished as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

#### **F. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

#### **G. Quality Assurance**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

##### **Quality Assurance Project Plan (QAPP)**

a. Prior to beginning environmental information operations, the recipient must:

- i. Develop a QAPP (for existing environmental information),
- ii. Prepare QAPP in accordance with the current version of [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#).

- iii. Submit the document for EPA review, and
- iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.


**For Reference:**

- [Quality Management Plan \(QMP\) Standard](#) and [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#), Appendix C provides a QAPP Checklist.
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Non-EPA Organizations Quality Specifications](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

**H. Use of Logos**

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the Illinois Environmental Protection Agency (IEPA) received financial support from the EPA under an Assistance Agreement. More information is available at:

<https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b> <b>Assistance Amendment</b>		GRANT NUMBER (FAIN): 00E03460	DATE OF AWARD
			MODIFICATION NUMBER: 1	05/01/2024
			PROGRAM CODE: 5D	MAILING DATE
			TYPE OF ACTION No Cost Amendment	05/01/2024
PAYMENT METHOD: ASAP			ACH# 50183	
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT: ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER		EPA PROJECT OFFICER	EPA GRANT SPECIALIST	
Laura Roche 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: laura.roche@illinois.gov Phone: 217-782-9540		Juan Morales 77 West Jackson Blvd., AR-18J Chicago, IL 60604-3507 Email: morales.juan@epa.gov Phone: 312-886-6036	Kimberly Houston-Williams Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Houston-Williams.Kimberly@epa.gov Phone: 312-353-7928	
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> IEPA - CPRG <p>This agreement provides funding under the Inflation Reduction Act (IRA) to the Illinois Environmental Protection Agency (IEPA) to develop a comprehensive, economy-wide climate mitigation plan that will support actions to reduce greenhouse gases (GHG) and harmful air pollutants and to conduct meaningful engagement with low-income and disadvantaged communities. Specifically, the recipient will develop climate action plans that focus on equity and substantial stakeholder engagement. In general, activities include the development, updating, and evaluation of plans to reduce climate pollution (i.e., to reduce GHG emissions and/or enhance carbon sinks). Specific activities include: the development of a state GHG emissions inventory, analysis of GHG emissions targets and projections, and quantification of GHG reduction measures.</p> <p>This rebudgeting amendment revises the current budget to coincide with the revised workplan. The revised budget and workplan activities are in accordance with Clean Air Act Section 137 guidelines.</p>				
BUDGET PERIOD 06/01/2023 - 05/31/2027	PROJECT PERIOD 06/01/2023 - 05/31/2027	TOTAL BUDGET PERIOD COST \$ 3,000,000.00	TOTAL PROJECT PERIOD COST \$ 3,000,000.00	
<b>NOTICE OF AWARD</b> <p>Based on your Application dated 02/07/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 3,000,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 West Jackson Blvd., A-18J Chicago, IL 60604-3507		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official Karen Sykes - Supervisor, Grants Management Officer				DATE 05/01/2024



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 3,000,000	\$ 0	\$ 3,000,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 3,000,000	\$ 0	\$ 3,000,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.046 - Climate Pollution Reduction Grants	Clean Air Act: Sec. 137	2 CFR 200, 2 CFR 1500 and 40 CFR 33

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 230,500
2. Fringe Benefits	\$ 182,400
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 2,460,670
7. Construction	\$ 0
8. Other	\$ 0
9. Total Direct Charges	\$ 2,873,570
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$ 126,430
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 3,000,000
12. Total Approved Assistance Amount	\$ 3,000,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 3,000,000

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. SUMMARY INDIRECT COST RATE	\$ 0
2. 7/1/23-6/30/24 @37.04%	\$ 0
3.	\$ 0
4.	\$ 0
5.	\$ 0
6.	\$ 0
7.	\$ 0
8.	\$ 0
9.	\$ 0
10.	\$ 0
11. Total (Share: Recip % Fed %)	\$ 0
12. Total Approved Assistance Amount	\$ 0

## **Administrative Conditions**

**THE FOLLOWING TERM AND CONDITION HAS BEEN UPDATED:**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

**ALL OTHER ADMINISTRATIVE TERMS AND CONDITONS REMAIN UNCHANGED.**

## **Programmatic Conditions**

### **THE FOLLOWING TERM AND CONDITION IS UPDATED:**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports - Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

##### **Performance Reports - Frequency**

Quarterly performance reports are required to be submitted electronically to the EPA Project Officer within 30 calendar days after the reporting period (every three-month period). Quarterly reports are due according to the following schedule. If a due date falls on a weekend or holiday, the report will be due on the next business day. If a project start date falls within a defined reporting period, the recipient must report for that period by the given due date unless otherwise noted. This quarterly report schedule shall be repeated for the duration of the award agreement.

**July 1 - September 30 Reporting Period: report due date October 30 (note, in year 1, this reporting period should begin at the project start date)**

**October 1 - December 31 Reporting Period: report due date January 30**

**January 1 - March 31 Reporting Period: report due date April 30**

**April 1 - June 30 Reporting Period: report due date July 30**

**The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.**


##### **Subaward Performance Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

**ALL OTHER PREVIOUSLY CITED PROGRAMMATIC TERMS AND CONDITIONS REMAIN UNCHANGED.**



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00E03862	DATE OF AWARD 10/02/2024
			MODIFICATION NUMBER: 0	MAILING DATE 10/07/2024
			PROGRAM CODE: 5E	
			TYPE OF ACTION New	PAYMENT METHOD: ASAP
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov	
<b>RECIPIENT:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642			<b>PAYEE:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>
JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Phone: 217-524-1340		Camden Ogletree 77 W. Jackson Blvd., AR-18J Chicago, IL 60604-3507 Email: Ogletree.Camden@epa.gov Phone: 312-886-0250		Robert Young Assistance Section, MA-10J 77 W. Jackson Blvd. Chicago, IL 60604-3507 Email: young.robert@epa.gov Phone: 312-886-6128
<b>PROJECT TITLE AND DESCRIPTION</b> State of Illinois: Climate Pollution Reduction Grant Implementation Grant See Attachment 1 for project description.				
<b>BUDGET PERIOD</b> 10/01/2024 - 09/30/2029		<b>PROJECT PERIOD</b> 10/01/2024 - 09/30/2029		<b>TOTAL BUDGET PERIOD COST</b> \$ 430,251,378.00
				<b>TOTAL PROJECT PERIOD COST</b> \$ 430,251,378.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 04/01/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 430,251,378.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 430,251,378.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 W. Jackson Blvd., A-18J Chicago, IL 60604-3507	
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official for Sheila Dolan - Manager, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate				<b>DATE</b> 10/02/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 430,251,378	\$ 430,251,378
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 430,251,378	\$ 430,251,378

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.046 - Climate Pollution Reduction Grants	Clean Air Act: Sec. 137	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405LQX001	2226	E4SF5	05L1	000ACGXJ2	4132	-	-	\$ 430,251,378
									\$ 430,251,378

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 7,351,699
2. Fringe Benefits	\$ 1,626,534
3. Travel	\$ 155,963
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 25,500,003
7. Construction	\$ 0
8. Other	\$ 392,467,815
9. Total Direct Charges	\$ 427,102,014
10. Indirect Costs: 37.04 % Base See Table B	\$ 3,149,364
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 430,251,378
12. Total Approved Assistance Amount	\$ 430,251,378
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 430,251,378
15. Total EPA Amount Awarded To Date	\$ 430,251,378

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carryforward Base: Total direct salaries and wages, including fringe benefits at 37.04%	\$ 0
2. Valid 7/1/24 to 6/30/25	\$ 0
3.	\$ 0
4.	\$ 0
5.	\$ 0
6.	\$ 0
7.	\$ 0
8.	\$ 0
9.	\$ 0
10.	\$ 0
11. Total (Share: Recip % Fed %)	\$ 0
12. Total Approved Assistance Amount	\$ 0

## Attachment 1 - Project Description

The purpose of this award is to provide funding under the Inflation Reduction Act to Illinois Environmental Protection Agency. The recipient will implement greenhouse gas reduction programs, policies, projects, and measures identified in a Priority Climate Action Plan developed under a Climate Pollution Reduction Grants planning grant. Activities conducted through this grant will benefit all residents and visitors to the State of Illinois through four main objectives: implementation of ambitious measures that will achieve significant cumulative GHG reductions by 2030 and beyond; pursuit of measures that will achieve substantial community benefits, particularly in low-income and disadvantaged communities; complementing other funding sources to maximize these GHG reductions and community benefits; and, pursuit of innovative policies and programs that are replicable and can be “scaled up” across multiple jurisdictions. The activities include expanding existing residential grant programs for energy efficiency and electrification; developing a Navigator program to educate residential customers about energy efficiency and implementing projects; developing a portal connecting Illinois agencies clean buildings initiatives; conducting contractor training on clean jobs; providing technical assistance to mid-sized commercial buildings on energy efficiency; conducting a grant program for community geothermal projects; supporting local governments in implementing the latest state energy codes; expanding medium and heavy duty vehicle charging infrastructure; conducting a grant program for trackside power at traffic locomotive hubs and for mobile source electrification projects; establishing a clean freight concierge; conducting air monitoring at targeted environmental justice communities; developing workforce training for fleet and freight operators and heavy-duty charging infrastructure maintenance; establishing an interagency work group to address barriers in clean freight initiatives; establishing a clean industry concierge to assist industry in implementing decarbonization measures and provide guidance on best practices; developing an incentive program to support the substitution of F-gases with lower carbon alternatives; expanding deployment and improving efficiency of low-till, no-till, and cover crop practices; conducting a grant program for community-based organizations to coordinate distribute biomethane utilization systems; developing a rebate program for all electric landscaping equipment; performing statewide clean energy modeling to address resources concerns; and developing technical resources to help municipalities and co-op utilities to adopt renewable energy. The anticipated deliverables include retrofitting residential housing units and commercial space; training individuals on building decarbonization and supporting development of new building decarbonization contractors in target communities; deploying community geothermal to residential units; municipalities adopting the Illinois Stretch Energy Code; electrifying heavy diesel vehicles and installing chargers; deploying trackside power supply systems at high traffic train stations; deploying indoor and ambient air quality monitors at high traffic freight hubs; retrofitting industrial facilities; replacing industrial refrigerant systems; adding acres of cover crops planted to existing programs and converting acres to no-till agriculture; funding biomethane projects; creating a statewide energy modeling study; and developing technical assistance resources for municipal utilities to replace fossil fuels with renewable energy. The anticipated outcomes include reduction in greenhouse gas emissions and criteria air pollutants, particularly in disadvantaged communities. The intended beneficiaries include residents and visitors to the state of Illinois.

Illinois Environmental Protection Agency will provide the following subawards: Illinois Climate Bank to develop and implement new and existing funding programs to implement energy and electrification in buildings, adoption of zero-emissions vehicles and charging stations, and supporting municipal and cooperative utility power systems and generation plans. Illinois Department of Commerce and Economic Opportunity to operate workforce development and outreach programs for clean buildings and clean transportation initiatives. The Illinois Department of Agriculture to expand incentives for cover crop integration, no-till farming practices, and sustainable agriculture enhancement. The Illinois Power Authority for statewide energy modeling.





## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Camden Ogletree at [Ogletree.Camden@epa.gov](mailto:Ogletree.Camden@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- Payment requests (if applicable): **Camden Ogletree at [Ogletree.Camden@epa.gov](mailto:Ogletree.Camden@epa.gov)**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Camden Ogletree at [Ogletree.Camden@epa.gov](mailto:Ogletree.Camden@epa.gov)**

### B. Pre-award Costs

In accordance with 2 CFR 1500.9, the grantee may charge pre-award costs (both Federal and non-Federal matching shares) incurred from **10/1/24** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

## Programmatic Conditions

### Climate Pollution Reduction Implementation Grants Programmatic Terms and Conditions

#### A. Deliverables

The first phase of the Climate Pollution Reduction Grants (CPRG) program provided funding for designing Priority Climate Action Plans (PCAPs) that incorporate a variety of measures (i.e., programs, policies, measures, and projects) that reduce greenhouse gas (GHG) emissions. The purpose of this CPRG Implementation assistance agreement is to implement proposed measures within a specified PCAP identified in the CPRG Implementation Grant General Competition application. All programs, policies, measures, and projects contained in the final, approved CPRG implementation assistance agreement workplan are required deliverables.

The recipient agrees to implement GHG reduction programs, policies, projects, and measures (collectively referred to as “GHG reduction measures,” or “measures”) identified in a PCAP developed under a CPRG planning grant and included in the CPRG implementation grant workplan. The recipient agrees to ensure that each is successfully implemented before the end of the grant project period. The recipient agrees to successful project implementation, which includes the process of putting a decision or plan into effect; executing the program, policies, projects and/or measures, not just planning or designing the programs, policies, projects and/or measures. The recipient agrees to adequately describe the actual environmental outputs and outcomes achieved, including actual GHG emissions reduced, not just the expected outputs and outcomes of the proposed measures. Clean Air Act (CAA) section 137 also requires that CPRG Implementation grant recipients address the degree to which a grant reduces GHG emissions in total and with respect to low-income and disadvantaged communities, where “greenhouse gas” refers to the air pollutants carbon dioxide (CO<sub>2</sub>), hydrofluorocarbons (HFCs), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).

To the best of their ability, the recipient agrees to:

- implement GHG emission reduction programs, policies, measures, and projects that are expected to reduce GHG emissions (or enhance GHG removals) by the estimated cumulative total GHG emission reductions from the final approved workplan;
- only report emission reductions occurring as a result of CPRG funding; and
- only report emission reduction data in units of million metric tons of carbon dioxide equivalent (MMTCO<sub>2</sub>e) where appropriate, calculated using the global warming potentials (GWP) in the International Panel on Climate Change's (IPCC) Fifth Assessment Report.

Refer to the Notice of Funding Opportunity, EPA-R-OAR-CPRGI-23-07 ([https://www.epa.gov/system/files/documents/2023-09/CPRG\\_General\\_Competition\\_NOFO.pdf](https://www.epa.gov/system/files/documents/2023-09/CPRG_General_Competition_NOFO.pdf)), Appendix B, Global Warming Potentials for GHGs, for details about how to apply GWP values for different gases.

For the measures included in the final, approved assistance agreement work plan, the recipient agrees to provide transparent GHG emission reduction estimates based on high-quality, thorough, reasonable, and comprehensive methodologies, assumptions, and calculations. Examples of tools that could be used to assist in these GHG quantifications can be found at: <https://www.epa.gov/inflation-reduction-act/climate-pollution-reduction-grants>.

## B. Final Approved Work Plan and Modifications

The recipient agrees to implement the measures in the EPA-approved work plan that will achieve significant cumulative GHG reductions by 2030 and beyond.

Recipient agrees to carry out the project in accordance with the final approved workplan. Recipients are required to report deviations from budget or project scope or objective, and must request prior written approval from the EPA:

- For any change in the scope or objective of the project or program (even if there is no associated budget revision requiring prior written approval);
- For change in key personnel (including employees and contractors) that are identified by name or position in the Federal award;
- For the disengagement from a project for more than three months, or a 25% reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project director or principal investigator;
- For the inclusion of costs that require prior approval in accordance with 2 CFR Part 200 Subpart E—Cost Principles or 48 CFR part 31, “Contract Cost Principles and Procedures,” as applicable;
- For the transfer of funds budgeted for participant support costs as defined in 2 CFR Section 200.1 Definitions to other budget categories;
- For the subawarding, transferring or contracting out of any work under the award;
  - Changes in the total approved cost-sharing amount
  - When the need arises for additional Federal funds to complete the project.

Proposed modifications to the approved work plan or budget, including additions, deletions, or changes in the schedule, shall be submitted in a timely manner to the EPA Project Officer for approval. Depending on the type or scope of changes, a formal amendment to the award may be necessary. Major project modifications may include but are not limited to: changes to the approved environmental results, outputs or outcomes, types and number of affected devices or equipment, the approved types of emission reduction technologies to be implemented, specific programs or policies to be adopted, or changes to the approved project location(s). Any change that would significantly alter the cumulative GHG reductions achieved by 2030 and beyond and affect the achievement of community benefits, especially in low-income and disadvantaged communities, may not be allowed. The recipient shall not make changes to the proposed activities in the EPA-approved work plan without prior written approval from the EPA. The recipient shall contact the EPA Project Officer with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If issues regarding proposed measures arise that cannot be resolved, the EPA may elect to terminate the assistance agreement, and/or if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved work plan that would result in undermining the integrity of the award competition will not be approved.

For grants that are awarded to a recipient that is serving as the lead for a coalition under the CPRG program, the recipient agrees to abide by the terms set out in the Memorandum of Agreement (MOA), including the roles, responsibilities, and commitments that each partner will provide to ensure project success, the operating model for the coalition, and the resources that each partner will contribute to the project. As established in the CPRG coalition's MOA, the lead applicant is accountable to the EPA and accepts full responsibility for effectively carrying out the full scope of work and proper financial

management of the grant. Coalition members who are grant subrecipients are accountable to the lead applicant for proposed use of EPA funding and successful project implementation. The recipient shall not make changes to the signed MOA without prior written approval from the EPA.

## **C. Performance Reporting and Final Performance Report**

### **1. Performance Reports - Content**

The recipient agrees to inform the EPA as soon as it is aware of problems, delays, or adverse conditions that will materially impair the recipient's ability to meet the outputs/outcomes specified in the final, approved assistance agreement work plan. The recipient agrees to inform the EPA immediately rather than waiting until the next performance report is due.

The recipient agrees to adequately describe the actual environmental outputs and outcomes achieved, not just the expected outputs and outcomes of the proposed measures. The recipient agrees to report out on each performance measures that will be the mechanism to track, measure, and report progress toward achieving the expected outputs and outcomes for each GHG reduction measure. The recipient agrees to track and report separately on the work conducted and GHG emissions reductions for each measure (program, policy, measure, or project) specified in the final, approved assistance agreement work plan. Recipients also agree to track and report separately on the budgets for each measure.

In accordance with 2 CFR 200.329, the recipient agrees to submit semi-annual, one-year, and final performance progress reports that include brief information on each of the areas specified below. To ensure the EPA can effectively monitor progress towards the achievement of measures, the recipient also agrees to report progress for each measure identified in the final, approved assistance agreement work plan as soon as work is completed and information is available.

**a. Semi-Annual:** The recipient agrees to submit semi-annual performance reports that include brief information on each of the following areas:

- (1) a comparison of actual technical progress and milestones achieved during the reporting period to the outputs/outcomes and performance measures established in the final, approved assistance agreement work plan, which may include technical changes made to the project, public events conducted, websites published, release of public-facing documents or tools, or other reportable activities described in the work plan;
- (2) a consolidated budget update with separate tracking for each measure (that is, how much was spent on equipment, supplies, contractors, subgrants, etc., during the reporting period and cumulatively) and, when appropriate, additional pertinent information such as analysis and explanation of cost overruns, high-unit costs, cost-share expenditures, program income, infrastructure costs subject to Buy America, Build America (BABA) compliance, or requested budget modifications (for example, when the recipient is requesting to move funding from one budget category to another);
- (3) if necessary, a description of the reasons why any implementation timeline milestones or outputs/outcomes were missed for each measure established in the final, approved assistance agreement work plan, including the recipient's strategy to address challenges faced and/or the recipient's approach to ensure that the approved outputs/outcomes for each measure will be achieved within the period of performance;

- (4) documentation of community engagement activities conducted in low-income and disadvantaged communities for each measure, which describes how the activities were publicized, categorizes respondents/attendees (e.g., the number of people from Tribal governments, federal government, state government, local government, nonprofits, for profits, universities, and the public), explains how input from participants was considered in decisions for implementing the measure, and details how meaningful engagement with low-income and disadvantaged communities will be continuously included in the development and implementation of the measure;
- (5) as applicable, strategies for mitigating environmental risks;
- (6) a description of any climate resiliency planning, siting, design, and operation of the project.
- (7) as applicable, updates to individuals, including those from coalition members, who serve as key contacts and/or any changes to the roles and responsibilities of key contacts involved in each measure and the reason(s) for the change(s);
- (8) as applicable, updates regarding which organizations have the authority to implement each measure and the reason(s) for the change(s);
- (9) as applicable, updates regarding changes to contracts, subgrants, and participant support costs;
- (10) as applicable, progress on generating high-quality jobs with a diverse, highly skilled workforce and support of strong labor standards; and
- (11) summary of anticipated activities for the next 6-month reporting period.

**b. One-year report:** As part of the second semi-annual progress report (*i.e.* the more detailed one-year report), the recipient agrees to report the additional data to the EPA. The reporting template will be made available to grant recipients through an electronic data interface to be specified by EPA upon approval of the Information Collection Request. This includes co-pollutant emissions reductions of each pollutant impacted by each measure, the sector impacted, and the county in which the emissions change. In addition, the recipient agrees to report the Climate and Economic Justice Screening Tool (CEJST) Census tract IDs or the EPA's EJScreen Census block group IDs for areas affected by GHG reduction measures, consistent with the EPA's definition of low-income and disadvantaged communities for the CPRG program.

**c. Final Report:** The recipient also agrees to submit a detailed final report and to report certain data associated with the final report to the EPA. The reporting template will be made available to grant recipients through an electronic data interface to be specified by EPA upon approval of the Information Collection Request.

#### **d. Subaward Performance Reporting**

Subawards establish a financial assistance relationship under which the subrecipient's employees and contractors implement programs and projects to accomplish the goals and objectives of the grant. Subrecipients (which includes Coalition members) are subject to the same federal requirements as the pass-through entity. (For more details, see General Terms and Conditions 8. Establishing and Managing Subawards, applicable provisions of 2 CFR Part 200, the EPA's Subaward Policy). The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be

reported if the pass-through entity has the information available are:

- (1) Summaries of results of reviews of financial and programmatic reports.
- (2) Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
- (3) Environmental results the subrecipient achieved.
- (4) Summaries of audit findings and related pass-through entity management decisions.
- (5) Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

## 2. Performance Reports - Frequency

The recipient agrees to submit **semi-annual** performance reports electronically to the EPA Project Officer within 30 days after the six-month reporting period ends. Semi-annual reports are due according to the following schedule. If a due date falls on a weekend or holiday, the report will be due on the next business day. If a project start date falls within a defined reporting period, the recipient must report for that period by the given due date unless otherwise noted. This semi-annual reporting schedule shall be repeated for the duration of the award agreement.

October 1 – March 31 Reporting Period: report due April 30

April 1 – September 30 Reporting Period: report due October 30

As part of the second semi-annual performance report that is submitted one year after the grant award, the recipient agrees to submit the **one-year** performance report that includes the additional details specified above in section C.1.b.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

## D. Allowable and Unallowable Activities

The recipient agrees to only use this CPRG Implementation grant award funding to implement measures in the EPA approved workplan for this CPRG Implementation grant and follow the grant Terms and Conditions.

All costs charged to the award to support these activities must meet the requirements for allowability under 2 CFR Part 200, Subpart E as well as applicable provisions of 2 CFR Part 1500. In addition, the recipient agrees to obtain prior approval from the EPA Award Official prior to the expenditure of the award for financial assistance as well as other activities that involve acquiring real property, including related equipment purchases, if not already in the EPA approved work plan.

The recipient agrees to not use the award for the following unallowable activities: (a) activities that are not in the EPA approved work plan; (b) costs of acquiring “intangible property,” as defined in 2 CFR 200.1; (c) activities that support measures, activities or projects outside the boundaries of the ten EPA



regions. The recipient also agrees not to use this CPRG award to replace existing program federal funding, but the recipient may use CPRG funds to supplement or expand existing programs. The recipient also agrees not to use the award for activities associated with defending against, settling, or satisfying a claim by a private litigant, except when either (a) the claim stems from the recipient's compliance with the terms and conditions of the award agreement or (b) the recipient has obtained prior written approval from the EPA Project Officer.

The recipient agrees to not use the award to aid regulated entities to comply with EPA regulatory requirements.

## **E. Davis-Bacon Related Act Term and Condition**

### **1. Program Applicability**

- a. Climate Pollution Reduction Implementation Grants.
- b. Section 314 of the Clean Air Act.
- c. Construction activities conducted under a Climate Pollution Reduction Implementation Grant.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant.

### **2. Davis-Bacon and Related Acts**

Davis-Bacon and Related Acts (DBRA) (<https://www.dol.gov/agencies/whd/government-contracts/construction>) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- a. Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more;
- b. Copeland "Anti-Kickback" Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- c. Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000.

### **3. Recipient Responsibilities When Entering Into and Managing Contracts**

#### **a. Solicitation and Contract Requirements:**

(1) Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

(2) Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants (<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>).”

**b. After Award of Contract:**

(1) Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

(2) Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

**4. Recipient Responsibilities When Establishing and Managing Additional Subawards**

a. Include DBRA Requirements in All Subawards (including Loans): Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients (<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>).”

b. Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

**5. Consideration as Part of Every Prime Contract Covered by DBRA**

The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

**F. Cybersecurity Condition**

**1. State Grant Cybersecurity**

a. The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

b. (1) The EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or the EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by the EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or the EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and the EPA.

#### **G. Climate Resilience:**

To the extent practicable, the recipient agrees to incorporate current and future climate change risk in planning, siting, design, and operation of the project. Approaches for incorporating climate change risk may make use of climate change data and information (e.g., projections and emission scenarios) that are reflective of the project's anticipated lifespan. This includes consideration of the climate change risks posed to the individuals, communities, local governments, organizations, or other entities served by the project over its anticipated lifespan.

#### **H. Subawards**

Refer to the General Terms and Condition, 8. "Establishing and Managing Subawards" and EPA Subaward Policy webpage (<https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>) for access to additional information, including a subaward agreement template found in Appendix D.

The recipient must include the Build America, Buy America terms in any subawards, request for proposals, or solicitations for bids, and in all contracts.

#### **I. Equipment Disposition for Recipients**

State agencies may dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures.

##### **1. Procurement of Systems, Equipment and Devices**

When purchasing replacement systems, equipment and/or devices, the recipient agrees the replacement systems, equipment or device:

a. will continue to perform a similar function and operation as the system, equipment or device that is being permanently rendered inoperable;

- b. will achieve the estimated emission reductions included in the EPA-approved work plan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved work plan.

The procurement of systems, equipment or devices should follow the EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements (<https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance>).

## **2. Operation and Maintenance**

The recipient will assure the continued proper operation and maintenance of systems, equipment and devices funded under this agreement. Such practices shall be operated and maintained for the expected lifespan of the specific measure and in accordance with commonly accepted design standards and specifications. The recipient shall include a provision in every applicable sub-agreement (subaward or contract) awarded under this grant requiring that the management practices for the project be properly operated and maintained. Likewise, the sub-agreement will assure that similar provisions are included in any sub-agreements that are awarded by the sub-recipient.

## **3. Equipment Use and Management**

Equipment is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes (see Capital assets at 2 CFR 200.1 Definitions), or the amount specified in Equipment at 2 CFR 200.1. Under 2 CFR 200.313, if the CPRG grant recipient purchases equipment with CPRG federally-awarded funds, title to the equipment vests in the grant recipient and there will be no ongoing requirements for the grant recipient for the purchased equipment after the end of the grant period.

These conditions must be met by the grant recipient for equipment use and management during the grant period:

- a. Use the equipment for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project.
- b. Not encumber the property without approval of the Federal awarding agency or pass-through entity.
- c. Use and dispose of the property as described below. Equipment use and management instructions are applicable to assistance agreement recipients and subrecipients acquiring equipment under this award. Per 2 CFR 200.313(b), state agencies may use and manage equipment acquired through a Federal award by the state in accordance with state laws and procedures. Per 2 CFR 200.313(b), Indian Tribes must use, manage, and dispose of equipment acquired under a Federal award in accordance with tribal laws and procedures.

Recipient agrees that at the end of the project period the recipient will continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. After the end of the grant period, equipment purchased under this award that is no longer needed, may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency.

Consistent with 2 CFR 200.313, unless instructed otherwise, a grant recipient may keep the equipment and continue to use it on the project originally funded through this assistance agreement or on other federally funded projects whether or not the project or program continues to be supported by Federal funds. When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Subrecipients are subject to the same federal requirements as the grant recipient (also known as the "pass-through entity") and they must comply with applicable subaward provisions of 2 CFR Part 200, the EPA Subaward Policy, and the EPA's General Term and Condition for Subawards.

Under 2 CFR 200.313, if the CPRG grant recipient purchases equipment with CPRG federally-awarded funds, title to the equipment vests with the grant recipient and there will be no ongoing requirements for the grant recipient for the purchased equipment after the end of the grant period.

In this case, equipment includes systems, equipment and devices.

## **J. QUALITY ASSURANCE**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Management Plan (QMP)**

a. Prior to beginning environmental information operations, the recipient must:

i. Submit a previously EPA-approved and current QMP,

ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP no more than 120 days after grant award.

c. The recipient must review their approved QMP at least annually. These documented reviews shall be made available to the sponsoring EPA organization if requested. When necessary, the recipient shall revise its QMP to incorporate minor changes and notify the EPA PO and QAM of the changes. If significant changes have been made to the Quality Program that affect the performance of environmental information operations, it may be necessary to re-submit the entire QMP for re-approval. In general, a copy of any QMP revision(s) made during the year should be submitted to the EPA PO and QAM in writing when such changes occur. Conditions requiring the revision and resubmittal of an approved QMP can be found in section 6 of EPA's [Quality Management Plan \(QMP\) Standard](#).

### **2. Quality Assurance Project Plan (QAPP)**

a. Prior to beginning environmental information operations, the recipient must:

i. Develop a QAPP,

ii. Prepare QAPP in accordance with the current version of EPA's [Quality Assurance Project Plan \(QAPP\) Standard](#),

iii. Submit the document for EPA review, and

iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

b. The recipient must submit a QAPP to the EPA Project Officer for implementation projects identified by the Program Office at least 90 days prior to the initiation of data collection or data compilation activities.

c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. EPA may require the QAPP be updated and re-submitted for approval.

d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur

#### **For Reference:**

- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Specifications for EPA and Non-EPA Organizations](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

#### **K. Retention / Required Documentation**

In accordance with 2 CFR 200.334, the recipient must retain all Federal award records, including but not limited to, financial records, supporting documents, and statistical records for at least three years from the date of submission of the final financial report. The records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken if any litigation, claim, or audit is started before the expiration of the three-year period. Examples of the required records include: (1) time and attendance records and supporting documentation; and (2) documentation of compliance with statutes and regulations that apply to the project.

In accordance with 2 CFR 200.337, the EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.



If the demonstration projects or activities, device and/or the device components are to be sold, the recipient must comply with the program income requirements (see the Program Income section below).

## **L. Program Audit**

The EPA will conduct random reviews of recipients to protect against waste, fraud, and abuse. As part of this process, the EPA, or its authorized representatives may request documentation from current recipients to verify statements made on the application and reporting documents. Recipients may be selected for advanced monitoring, including a potential site visit to confirm project details. The EPA, or its authorized representatives, may also conduct site visits to confirm documentation is on hand and that the project is completed as agreed upon, as well as confirm applicable infrastructure adheres to Build America, Buy America (BABA) requirements. Recipients are expected to comply with site visit requests and recordkeeping requirements and must supply the EPA with any requested documents for three years from the date of submission of the final expenditure report, or risk cancellation of an active grant application or other enforcement action.

## **M. Use of Submitted Information**

Applications and reporting materials submitted under this competition may be released in part or in whole in response to a Freedom of Information Act (FOIA) request. The EPA recommends that applications and reporting materials not include trade secrets or commercial or financial information that is confidential or privileged, or sensitive information that, if disclosed, would invade another individual's personal privacy (e.g., an individual's salary, personal email addresses, etc.). However, if such information is included, it will be treated in accordance with [40 CFR 2.203](#). (Review EPA clause IV.a, Confidential Business Information, under EPA Solicitation Clauses <https://www.epa.gov/grants/epa-solicitation-clauses>).

The EPA may make publicly available on the EPA's website or another public website copies or portions of CPRG grant project information.

The EPA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, for federal purposes, submitted project photos, including use in program materials.

## **N. Program Income**

In accordance with 2 CFR Part 200.307(b) and 2 CFR 1500.8(b), the recipient is hereby authorized to retain program income earned during the project period.

The program income shall be used in one of the following ways:

1. Added to funds committed to the project by the EPA and used for the purposes and under the conditions of the assistance agreement.

program income earned during the award period must be submitted with the Federal Financial Report, Standard Form 425.

In accordance with 2 CFR 200.307(b) costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the EPA award. The recipient must retain adequate accounting records to document that any costs

deducted from program income comply with regulatory requirements.

## O. Participant Support Costs

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Participant support costs are not subawards as defined by 2 CFR §200.1 and should not be treated as such. Program beneficiaries may be individual owner/operators or private or public fleet owners, however program beneficiaries cannot be employees, contractors or subrecipients of the grant recipient. The recipient may provide financial assistance and project-deployment technical assistance to enable low-income and disadvantaged communities to deploy and benefit from eligible zero emissions technologies in the form of participant support costs.

The recipient agrees to the following eligibility, restrictions, timelines, and other programmatic requirements on participant support costs:

1. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement. Participant support costs for rebates must be supported by guidelines issued by the recipient and approved by the EPA's Award Official or Grants Management Officer, defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction documentation requirements, eligibility, and funding levels that rebate beneficiaries must follow.
2. Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to "Interim EPA Guidance on Participant Support Costs" (<https://www.epa.gov/grants/rain-2018-g05-r1>). "The EPA Guidance on Participant Support Costs" specifies requirements for rebate program approval by Authorized EPA Officials.
3. Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as the EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:
  - a. describe the activities that will be supported by rebates, stipends, subsidies or other payments;
  - b. specify the amount of the rebate, subsidy, stipend, or other payment;
  - c. identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment;
  - d. specify any reporting required by the program beneficiary and the length of time for such reporting;
  - e. establish source documentation requirements (e.g., invoices) for accounting records; and
  - f. describe purchasing controls to ensure that the amount of the participant support cost is determined in a commercially reasonable manner as required by 2 CFR 200.404.
4. Recipient must obtain prior written approval from the EPA's Award Official if recipient wants to transfer

funds budgeted for participant support costs to other budget categories. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, the EPA will not approve the request.

Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emissions control technologies and vehicle replacements are eligible participant support costs under this award when the program participant rather than the recipient owns the equipment, per 2 CFR 1500.1(a)(1). Engine replacements, marine and locomotive shorepower projects, and most electrified parking space technology projects are not eligible as participant support costs. Rebates can only fund a participating fleet owner's equipment purchase and installation costs (i.e. parts and labor, including costs incurred to scrap the existing vehicle); if a participating fleet owner requires funding for project administration, travel, extensive design/engineering, construction, etc., in order to carry out the project a subaward is the more appropriate option. Questions regarding the use of rebates under this award should be directed to the EPA Project Officer. Rebates are not considered subawards/subgrants as defined in 2 CFR Part 200 and should not be treated as such under this award.

## P. SIGNAGE REQUIREMENTS

### 1. Investing in America Emblem

The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by the EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>

### 2. Procuring Signs

Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or the EPA logo or seal) into the appropriate non-English language (s). The costs of such translation are allowable, provided the costs are reasonable.

## Q. USE OF LOGOS

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the **Illinois Environmental Protection Agency** received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

## R. Public or Media Events

The EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## S. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## T. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

## U. Health and Safety Plan

Before beginning field work, the recipient must have a health and safety plan in place providing for the protection of on-site personnel and area residents, unless specifically waived by the award official. This plan need not be submitted to the EPA but must be made available to the EPA upon request. The recipient's health and safety plan must comply with Occupational Safety and Health Administration (OSHA) 29 CFR 1910.120, entitled "Hazardous Waste Operations and Emergency Response."

## V. Foreign Entity of Concern

The recipient agrees to not directly transfer EPA funds through a subaward, contract, or participant support costs to a foreign entity of concern (FEOC). The EPA considers FEOCs to include foreign entities that are owned by, controlled by, or subject to the jurisdiction or direction of a government of a foreign country that is a covered nation as defined by Congress in Section 40207 of the Infrastructure Investment and Jobs Act. The EPA uses the proposed interpretive rule from the U.S. Department of Energy (DOE) to provide additional guidance in determining FEOCs. See 88 Fed. Reg. 84,082 (Dec. 4, 2023). If DOE finalizes an interpretive rule that differs in material respects from the proposal, the EPA may amend the award agreement accordingly.

Additionally, the recipient agrees to develop and implement internal controls that ensure EPA funds are not directly transferred to FEOCs, including through subawards, contractors, and participant support costs.

## W. Historic Preservation

### National Historic Preservation Act (NHPA)

Section 106 of the NHPA requires all federal agencies to consider the effects of their undertakings, including the act of awarding a grant or cooperative agreement, on historic properties, and to provide the Advisory Council on Historic Preservation (ACHP) a reasonable opportunity to comment on such undertakings. The recipient must assist the EPA Project Officer in complying with NHPA if any activities funded under this grant impact a historic property. Historic properties include: (a) land or buildings listed in or eligible for listing on the National Register of Historic Places; (b) archaeologically sensitive areas or in an area where traditional cultural properties are located; and (c) properties that are associated with significant historic events, are associated with significant people, embody distinctive characteristics, and contain important precontact information.

The recipient should work with their Project Officer to ensure that subrecipients are available to work with EPA on any required consultation process with the State or Tribal Historic Preservation Office prior to commencing the project to ensure compliance with Section 106 of the NHPA.

If NHPA compliance is required, necessary Section 106 consultation activities, such as historic or architectural surveys, structural engineering analysis of buildings, public meetings, and archival photographs, can be considered allowable and allocable grant costs.

### Archeological and Historic Preservation Act (AHPA)

This law applies if archeologically significant artifacts or similar items are discovered after an EPA-funded construction project has begun, and compliance may be coordinated with the NHPA, discussed above. The AHPA requires federal agencies to identify relics, specimens, and other forms of scientific, prehistorical, historical, or archaeologic data that may be lost during the construction of federally-sponsored projects to ensure that these resources are not inadvertently transferred, sold, demolished or substantially altered, or allowed to deteriorate significantly. The recipient must ensure that subrecipients performing construction projects are aware of this requirement, and the recipient must notify EPA if the AHPA is triggered.

## X. Other Federal Requirements

In addition to the statutes outlined in the Labor and Equitable Workforce Programmatic Term and Condition, Build America, Buy America Programmatic Act Term and Condition, Historic Preservation Programmatic Term and Condition, the recipient must comply with all federal cross-cutting requirements. These requirements include, but are not limited to:

- **Endangered Species Act, as specified in 50 CFR Part 402:** Non-Federal entities must identify any impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that no adverse effects to a protected species or habitat occur from actions under Federal assistance awards and conduct the reviews required under the Endangered Species Act, as applicable.
- **Federal Funding Accountability and Transparency Act:** Recipients of financial assistance awards must


comply with the requirements outlined in 2 CFR Part 170, *Reporting Subaward and Executive Compensation* and in the General Term and Condition “Reporting Subawards and Executive Compensation.”

- **Farmland Protection Policy Act:** This statute requires EPA to use criteria developed by the Natural Resources Conservation Service (NRCS) to identify the potential adverse effects of Federal programs on farmland and its conversion to nonagricultural uses, to mitigate these effects, and to ensure that programs are carried out in a manner that is compatible with the farmland preservation policies of state and local governments, and private organizations. Recipients may need to work with EPA or NRCS, as appropriate, to ensure compliance.
- **Coastal Zone Management Act:** Projects funded under federal financial assistance agreements must be consistent with a coastal State's approved management program

for the coastal zone.

For additional information on cross-cutting requirements visit <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>.



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	<b>GRANT NUMBER (FAIN):</b> 00E03779 <b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> 5T		<b>DATE OF AWARD</b> 08/01/2024	
		<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 08/06/2024	
		<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183	
		<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov
<b>RECIPIENT:</b>  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b>  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276			
<b>PROJECT MANAGER</b>  Greg Boutelle 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: greg.boutelle@illinois.gov Phone: 217-782-9323		<b>EPA PROJECT OFFICER</b>  Lisa Holscher 77 West Jackson Blvd., AR-18J Chicago, IL 60604-3507 Email: Holscher.Lisa@epa.gov Phone: 312-886-6818		<b>EPA GRANT SPECIALIST</b>  Kendra Kozak Assistance Section II, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Kozak.Kendra@epa.gov Phone: 312-353-8834	
<b>PROJECT TITLE AND DESCRIPTION</b>  IEPA IRA Air Monitoring Network Enhancement Project  This agreement provides funding under the Inflation Reduction Act to the Illinois Environmental Protection Agency for the expansion and enhancement of their air monitoring activities. Specifically, the recipient will replace aging air monitoring and quality assurance audit equipment to maintain and enhance existing multipollutant air monitoring operations. Many of the sites that will benefit from this equipment replacement are within the EPA IRA Disadvantaged Communities Map. Upgrading the equipment at or associated with these sites will increase the sustainability of the Illinois EPA's ambient air monitoring network and benefit the communities. The activities include the purchase of dataloggers, portable, semi-portable and bench zero air generators, sulfur dioxide, carbon monoxide and nitrogen oxide monitors, ozone transfer standards, and dilution systems. The anticipated deliverables include new air monitoring equipment to be deployed in existing air monitoring sites. The expected outcomes include increased sustainability of Illinois EPA's ambient air monitoring networks which will benefit the disadvantaged communities around these sites. The intended beneficiaries are the residents of the state of Illinois. No subawards are included in this assistance agreement.					
<b>BUDGET PERIOD</b> 06/01/2024 - 05/31/2027		<b>PROJECT PERIOD</b> 06/01/2024 - 05/31/2027		<b>TOTAL BUDGET PERIOD COST</b> \$ 1,195,000.00	
				<b>TOTAL PROJECT PERIOD COST</b> \$ 1,195,000.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 05/03/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 1,110,081.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 1,110,081.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b>  U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			<b>ORGANIZATION / ADDRESS</b>  U.S. EPA, Region 5, Air Division R5 - Region 5 77 West Jackson Blvd., AR-18J Chicago, IL 60604-3507		
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>					
Digital signature applied by EPA Award Official for Sheila Dolan - null by Karen Sykes - Award Official Delegate					<b>DATE</b> 08/01/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 1,110,081	\$ 1,110,081
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 1,110,081	\$ 1,110,081

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.034 - Surveys-Studies-Investigations-Demonstrations and Special Purpose Activities relating to the Clean Air Act	Inflation Reduction Act: Sec. 60105b Clean Air Act: Sec. 103	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2405LBX015	2231	E1SFX	05L1	000AMTXM2	4183	-	-	\$ 1,110,081
									\$ 1,110,081

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 1,195,000
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 0
9. Total Direct Charges	\$ 1,195,000
10. Indirect Costs: 0.00 % Base Not Applicable	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 1,195,000
12. Total Approved Assistance Amount	\$ 1,195,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 1,110,081
15. Total EPA Amount Awarded To Date	\$ 1,110,081

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [kozak.kendra@epa.gov](mailto:kozak.kendra@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and [kozak.kendra@epa.gov](mailto:kozak.kendra@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: [holcher.lisa@epa.gov](mailto:holcher.lisa@epa.gov) and [kozak.kendra@epa.gov](mailto:kozak.kendra@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: [holcher.lisa@epa.gov](mailto:holcher.lisa@epa.gov)

### B. Contingent Funding

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

### C. Pre-Award Costs

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs

(both Federal and non-Federal matching shares) incurred from June 1, 2024 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period

## **Programmatic Conditions**

### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

#### **Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

Interim performance and final progress reports must prominently display the three Essential Elements for state work plans: 1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame.

(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

#### **Performance Reports - Frequency**

The recipient agrees to submit semi-annual performance reports electronically to the EPA Project Officer within 30 days after the semi-annual reporting period ends November 30 and May 31. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

1. Semi-annual performance reports are required; they are to be submitted electronically to the EPA Project Officer within 30 days after the reporting period (every six-month period). The reporting periods are:

June 1 – November 30 (report due December 30)

December 1 – May 31 (report due June 30)

### **B. State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information



system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

### **C. Data Reporting**

Data and/or related observations must be shared publicly and in a practicable amount of time throughout the lifetime of the project and not only after the project is at or near completion.


### **D. Competency Policy**

#### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaianew.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.



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	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	GRANT NUMBER (FAIN): 00E04025 MODIFICATION NUMBER: 0 PROGRAM CODE: 5Y		DATE OF AWARD 12/11/2024
		TYPE OF ACTION New		MAILING DATE 12/16/2024
		PAYMENT METHOD: ASAP		ACH# 50183
<b>RECIPIENT TYPE:</b> State		<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov		
<b>RECIPIENT:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276		
<b>PROJECT MANAGER</b> Jack Cruikshank 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: jack.cruikshank@illinois.gov Phone: 224-262-7622		<b>EPA PROJECT OFFICER</b> Carter Cranberg 77 West Jackson Boulevard, AR-18J Chicago, IL 60604 Email: cranberg.carter@epa.gov Phone: 312-353-0605		<b>EPA GRANT SPECIALIST</b> Lena Dreves Assistance Section, MA-10J 77 West Jackson Boulevard Chicago, IL 60604 Email: dreves.lena@epa.gov Phone: 312-886-0771
<b>PROJECT TITLE AND DESCRIPTION</b> IEPA Ports - Planning See Attachment 1 for project description.				
<b>BUDGET PERIOD</b> 01/01/2025 - 12/31/2027		<b>PROJECT PERIOD</b> 01/01/2025 - 12/31/2027		<b>TOTAL BUDGET PERIOD COST</b> \$ 2,997,998.00
				<b>TOTAL PROJECT PERIOD COST</b> \$ 2,997,998.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 12/02/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 2,997,998.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 2,997,998.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 West Jackson Boulevard, AR-18J Chicago, IL 60604		
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official for Sheila Dolan - Manager, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate				<b>DATE</b> 12/11/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 2,997,998	\$ 2,997,998
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 2,997,998	\$ 2,997,998

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.051 - Clean Ports Program	Clean Air Act: Sec. 133 Inflation Reduction Act: Sec. 60102	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2505LBX002	2227	E4SF6	05L1	000AVFX Y3	4166	-	-	\$ 2,997,998
									\$ 2,997,998

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 2,997,998
9. Total Direct Charges	\$ 2,997,998
10. Indirect Costs: 0.00 % Base N/A	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 2,997,998
12. Total Approved Assistance Amount	\$ 2,997,998
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 2,997,998
15. Total EPA Amount Awarded To Date	\$ 2,997,998

## **Attachment 1 - Project Description**

The purpose of this award is to provide funding under the Inflation Reduction Act to the Illinois Environmental Protection Agency. Specifically, IEPA, in partnership with CALSTART and regional port commissions, will develop "Decarbonization and Climate Resiliency Plans" for seven rural and regional ports in Illinois. This project aims to reduce transportation-related emissions, combat climate change, support local economies, and improve quality of life for residents in underserved communities. The plans will provide a roadmap for the Illinois Waterway Commission, Mid-America Intermodal Authority Port District, and Upper Mississippi River International Port District to achieve net-zero emissions, while addressing air quality concerns in 23 counties along 470 river miles.

The activities to be performed under this project include conducting a baseline greenhouse gas inventory and developing a Carbon Inventory Model to track emissions and assess impacts of transitioning to zero-emission operations, establishing emissions reduction goals and strategies (including analysis of alternative fuels and electrification opportunities), coordinating stakeholder engagement, conducting a resiliency assessment and developing mitigation plans to address climate vulnerabilities and improve port operations' resilience to future climate impacts, outlining workforce development strategies to support green job growth and prepare the workforce for emerging technologies, and publishing comprehensive Decarbonization and Climate Resiliency Plans that detail actionable steps for achieving sustainability goals.

The anticipated deliverables include greenhouse gas inventories and a Carbon Inventory Model for each port, emissions reduction strategies and electrification roadmaps for transitioning equipment, resiliency and mitigation plans tailored to address climate risks for port operations, and publicly accessible Decarbonization and Climate Resiliency Plans summarizing key activities and findings.

The expected outcomes include improved air quality and reduced transportation-related emissions across all seven ports, increased community and stakeholder engagement, enhanced understanding of steps required to transition to net-zero emissions, and a strengthened capacity to address climate vulnerabilities and improve operational resilience.

The intended beneficiaries include IEPA, regional port authorities, local governments, port workforces, and residents of the affected counties in Illinois.

CALSTART, a non-profit subaward, will manage all aspects of the project detailed within the work plan.



## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current Environmental Protection Agency (EPA) general terms and conditions available at: [https://www.epa.gov/system/files/documents/2024-10/fy\\_2025\\_epa\\_general\\_terms\\_and\\_conditions\\_effective\\_october\\_1\\_2024\\_or\\_later.pdf](https://www.epa.gov/system/files/documents/2024-10/fy_2025_epa_general_terms_and_conditions_effective_october_1_2024_or_later.pdf)

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtfpc-grants@epa.gov](mailto:rtfpc-grants@epa.gov) and **Lena Dreves, Grant Specialist** - [dreves.lena@epa.gov](mailto:dreves.lena@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): **Lena Dreves, Grant Specialist** - [dreves.lena@epa.gov](mailto:dreves.lena@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Lena Dreves, Grant Specialist** - [dreves.lena@epa.gov](mailto:dreves.lena@epa.gov) and **Carter Cranberg, Project Officer** - [cranberg.carter@epa.gov](mailto:cranberg.carter@epa.gov)
- Payment requests (if applicable): **Lena Dreves, Grant Specialist** - [dreves.lena@epa.gov](mailto:dreves.lena@epa.gov) and **Carter Cranberg, Project Officer** - [cranberg.carter@epa.gov](mailto:cranberg.carter@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Carter Cranberg, Project Officer** - [cranberg.carter@epa.gov](mailto:cranberg.carter@epa.gov)

## Programmatic Conditions

### CLEAN PORTS CLIMATE AND AIR QUALITY PLANNING (CAQP) GRANTS PROGRAMMATIC TERMS AND CONDITIONS

#### A. Final Approved Workplan and Modifications

1. Recipient agrees to carry out the project in accordance with the final approved workplan.
2. Recipients are required to report deviations from budget or project scope or objective, and must request prior written approval from EPA:
  - a. for any change in the scope or objective of the project or program (even if there is no associated budget revision requiring prior written approval);
  - b. any change in key personnel (including employees and contractors) that are identified by name or position in the Federal award specified in the application or workplan;
  - c. the disengagement from the project for more than three months, or a 25% reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project director or project manager;
  - d. the inclusion of costs that require prior approval in accordance with 2 CFR Part 200 Subpart E—Cost Principles or 48 CFR part 31, “Contract Cost Principles and Procedures,” as applicable;
  - e. the transfer of funds budgeted for participant support costs to other budget categories as defined in 2 CFR Section 200.1 Definitions to other categories of expense;
  - f. unless described in the final approved workplan and budget, the subawarding, transferring or contracting out of any work under the award;
  - g. for changes in the total approved cost-sharing by the recipient; or
  - h. the need arises for additional Federal funds to complete the project.

Requests for modifications to the approved workplan or budget, including additions, deletions, or changes in the schedule, must be submitted in a timely manner to the EPA Project Officer for approval, to minimize project delays. Depending on the type or scope of changes, a formal amendment to the award may be necessary. Major project modifications which include changes to the approved types and number of partners and equipment, or to the approved project partners and location(s) may not be allowed.

#### B. Performance Reporting and Final Performance Report

##### B1. Performance Reports – Content

In accordance with 2 CFR 200.329, the recipient agrees to complete and submit electronic performance reports using reporting template(s), including the approved Clean Ports Project Reporting Template ([EPA Form Number: 5900-690](#) or future revisions, as applicable), which will be provided by the project officer.

The purpose of semi-annual performance reports is to provide updates on implementation of each project, including brief information on each of the following areas:

1. A comparison of accomplishments to the outputs/outcomes established in the assistance agreement work plan for the reporting period;
2. The reasons why any established outputs/outcomes were not met;
3. Additional information, , analysis and explanation of cost overruns or higher-than-expected unit costs. .

Additionally, the recipient agrees to notify the EPA when a significant development occurs that could impact the award. Significant developments include events that enable meeting milestones and objectives sooner or at less cost than anticipated or that produce different beneficial results than originally planned. Significant developments also include problems, delays, or adverse conditions which will impact the ability to meet the milestones or objectives of the award, including outputs/outcomes specified in the assistance agreement work plan. If the significant developments negatively impact the award, the recipient must include information on their plan for corrective action and any assistance needed to resolve the situation.

The final project report will include all categories of information required for semi-annual reporting, including a final description of all climate and air quality planning activities completed for each port, and how the documents were shared publicly. The final project report will also include a narrative summary of the project, the successes and lessons learned for the entire project.

## **B2. Performance Reports - Frequency**

Throughout the 3-year performance period of the grant, the recipient agrees to submit **semi-annual** performance reports electronically to the EPA Project Officer by the due date following the conclusion of each semi-annual reporting period. The reporting periods are:

January 1 – June 30: Report due date July 30.

July 1 – December 31: Report due date January 30.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance. Per the reporting form guidance, additional reporting may be required if the grant is extended or at the discretion of the EPA Project Officer.

## **B3. Subaward Performance Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(e). Examples of items that must be reported are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.

4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(f), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

If the recipient is unable to obtain this information, the recipient must report to EPA why the information is not available.

## C. Cybersecurity Condition

### State Grant Cybersecurity

1. The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

2.a. The EPA must ensure that any connections between the recipient's network or information system and the EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or the EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by the EPA's regulatory programs for the submission of reporting and/or compliance data.

b. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in 2.a if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or the EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(e), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and the EPA.

## D. Procurement Procedures

As provided in 2 CFR 200.317, with limited exceptions, states and Indian Tribes must follow the same policies and procedures they follow for procurements financed with non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in [§§ 200.318 through 200.327](#). In addition to its own policies and procedures, a State or Indian Tribe must also comply with the following procurement standards: [§§ 200.321, 200.322, 200.323, and 200.327](#). All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in [§§ 200.318 through 200.327](#).

The recipient must follow applicable procurement procedures. The EPA will not be a party to these transactions. If EPA funds will be used to purchase goods or services, recipient agrees to compete the contracts for those goods and services and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 2 CFR 200.318 through 2 CFR 200.327. Approval of a funding application does not relieve recipients of their obligations to compete service contracts and conduct cost and price analyses.

#### **E. Project Transparency**

The recipient agrees to engage with near-port communities about the project during the performance period and provide documentation that a detailed written summary of the results of the project (e.g., emissions inventory, emissions reduction targets or other planning activities) have been made available to the public, such as via a webpage, for all activities included in the final workplan. Examples of appropriate community engagement during the project period are outlined on pg. 34 of the Notice of Funding Opportunity. Community engagement activities conducted as part of the final approved workplan should be reported in performance reporting described in Programmatic Term and Condition B (Performance Reporting and Final Performance Report).

#### **F. Program Audit**

In addition to audit requirements listed in the [EPA General Terms and Conditions](#) which relate to audits and access to records, the recipient agrees to comply with random EPA reviews of the recipient to protect against waste, fraud, and abuse. As part of this process, the EPA, or its authorized representatives, may request copies of grant documents from prior recipients who have received grants, or may request documentation from current recipients and subrecipients, to verify statements made on the application and reporting documents. Recipients may be selected for advanced monitoring, including a potential site visit to confirm project details. Recipients are expected to comply with site visit requests and recordkeeping requirements and must supply the EPA with any requested documents for as long as the records are retained, or risk cancellation of an active grant application or other enforcement action.

#### **G. Record Retention**

As required by 2 CFR 200.334-338, the recipient must keep all financial records, supporting documents, accounting books and other evidence of Grant Program activities for three years from the date of submission of the final financial report. If any litigation, claim, or audit is started before the expiration of the three-year period, the recipient must maintain all appropriate records until these actions are completed and all issues resolved.

#### **H. Public or Media Events**

The recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

#### **I. Emissions Inventories**

Emissions inventories must follow the EPA's Port Emissions Inventory Guidance. This guidance may be found at: <https://www.epa.gov/ports-initiative/port-and-goods-movement-emission-inventories>.

## J. Quality Assurance

### Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

#### Option 1

- i. Develop a QAPP,
- ii. Prepare QAPP in accordance with the current version of the EPA's [Quality Assurance Project Plan \(QAPP\) Standard](#),
- iii. Submit the document for EPA review, and
- iv. Obtain the EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

OR

#### Option 2

- i. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
  - ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and the EPA Project Officer (PO) in writing if the previously EPA-approved QAPP is acceptable for this agreement.
- b. The recipient must submit the QAPP 90 days after grant award, or 90 days prior to anticipated data collection.
- c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. The EPA may require the QAPP be updated and re-submitted for approval.
- d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur (QAM or PO may add additional specifications).

#### For Reference:

- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard](#); contain quality specifications for the EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#).
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- The [EPA's Quality Program](#) website has a [list of QA managers](#), and [Specifications for EPA and Non-](#)



## EPA Organizations

- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

## **K. Use of Logos**

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, the EPA logo must **not** be prominently displayed in a way that may imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the Illinois Environmental Protection Agency received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

## **L. Automated Standard Application Payments (ASAP) and Proper Payment Draw Down**

The recipient is subject to the Automated Standard Application Payments (ASAP) and Proper Payment Draw Down General Term and Condition. See the "Financial Information" section of the [General Terms and Conditions](#).

The recipient is required to notify the EPA Project Officer of draws from ASAP in excess of 50% of the award within a 24-hour period. The recipient is required to provide such notification within 3 business days of the draw amount being surpassed.

The recipient is subject to the Management Fees General Term and Condition, which includes the following requirements that prohibit profit on the part of the grantee:

1. Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable.
2. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work. [See the "Selected Items of Cost" section of the General Terms and Conditions](#).

## **M. Ineligible Project Costs**

The recipient must not include the following activities or costs in the project:

1. Activities that are not focused on one or more ports. For purposes of this assistance program, a port is either a water port or a dry port, as defined below:
  - a. Water port: places on land alongside navigable water (e.g., oceans, rivers, or lakes) with one or more facilities in close proximity for the loading and unloading of passengers or cargo from ships, ferries, and other commercial vessels. This includes facilities that support non-commercial Tribal fishing operations.
  - b. Dry port: an intermodal truck-rail facility that is included in the 2024 Federal Highway Administration's (FHWA) Intermodal Connector Database based on meeting the criteria set in 23 CFR 470. These criteria include having more than 50,000 TEUs (20-foot equivalent units) per year or other units measured that would convert to more than 100 trucks per day, or comprising more than 20 percent of freight volumes

handled by any mode within a State.

2. Planning exercises related to emissions or emissions reductions where vehicles, vessels, and other mobile source port equipment are not included.
3. Development of an EJ mapping tool (applicants should instead rely on existing tools) Revised April 10, 2024
4. Vulnerability assessments not related to impacts from extreme weather and other climate-related events and conditions
5. Resiliency measure implementation (construction, equipment, purchase, information systems, etc.)
6. Emissions reduction strategy implementation (e.g., the purchase of ZE mobile source equipment, which is eligible for funding under Funding Opportunity Number EPA-R-OAR-CPP-24-04).
7. As proscribed in Section 825 of the National Defense Authorization Act, the EPA may not award funds to an entity that uses in part or in whole: the national transportation logistics public information platform (commonly referred to as 'LOGINK'); any national transportation logistics information platform provided by or sponsored by the People's Republic of China, or a controlled commercial entity; or a similar system provided by Chinese state-affiliated entities.

## **N. Competency Policy**


### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of this policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## **O. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00E04027	DATE OF AWARD 12/11/2024
			MODIFICATION NUMBER: 0	MAILING DATE 12/16/2024
			PROGRAM CODE: 5Y	
			TYPE OF ACTION New	
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT:  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 NORTH GRAND AVE EAST PO BOX 19276 SPRINGFIELD, IL 62794-9276 EIN: 01-0572642			PAYEE:  ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST
JACOB POESCHEL 1021 NORTH GRAND AVE EAST P.O. BOX 19276 SPRINGFIELD, IL 62794-9276 Email: Jacob.Poeschel@illinois.gov Phone: 217-524-1340		Carter Cranberg 77 West Jackson Blvd., AR-18J Chicago, IL 60604 Email: cranberg.carter@epa.gov Phone: 312-353-0605		Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604 Email: young.robert@epa.gov Phone: 312-886-6128
PROJECT TITLE AND DESCRIPTION  IEPA Ports - ZE Technology  See Attachment 1 for project description.				
BUDGET PERIOD 01/01/2025 - 12/31/2028	PROJECT PERIOD 01/01/2025 - 12/31/2028	TOTAL BUDGET PERIOD COST \$ 104,132,469.00	TOTAL PROJECT PERIOD COST \$ 104,132,469.00	
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 12/02/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 92,058,008.00. EPA agrees to cost-share <u>88.40%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 92,058,008.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Air and Radiation Division R5 - Region 5 77 West Jackson Blvd., A-18J Chicago, IL 60604		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official for Sheila Dolan - Manager, Acquisition & Assistance Branch by Karen Sykes - Award Official Delegate				DATE 12/11/2024

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 92,058,008	\$ 92,058,008
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 12,074,461	\$ 12,074,461
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 104,132,469	\$ 104,132,469

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.051 - Clean Ports Program	Clean Air Act: Sec. 133 Inflation Reduction Act: Sec. 60102	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2505LBX001	2227	E4SF6	05L1	000AVFX Y3	4166	-	-	\$ 92,058,008
									\$ 92,058,008

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 328,096
2. Fringe Benefits	\$ 246,072
3. Travel	\$ 27,180
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 4,375,000
7. Construction	\$ 0
8. Other	\$ 97,090,641
9. Total Direct Charges	\$ 102,066,989
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$ 2,065,480
11. Total (Share: Recipient <u>11.60</u> % Federal <u>88.40</u> %)	\$ 104,132,469
12. Total Approved Assistance Amount	\$ 92,058,008
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 92,058,008
15. Total EPA Amount Awarded To Date	\$ 92,058,008

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Fixed Carryforward Base: Total direct salaries and wages, including fringe benefits at 36.36% Valid 7/1/24 to 6/30/25	\$ 0
2.	\$ 0
3.	\$ 0
4.	\$ 0
5.	\$ 0
6.	\$ 0
7.	\$ 0
8.	\$ 0
9.	\$ 0
10.	\$ 0
11. Total (Share: Recip % Fed %)	\$ 0
12. Total Approved Assistance Amount	\$ 0



## **Attachment 1 - Project Description**

The purpose of this award is to provide funding under the Inflation Reduction Act to the Illinois Environmental Protection Agency. Specifically, this project will reduce GHG and diesel emissions, improve air quality, and enhance the sustainability of port operations in nine Illinois counties. This initiative will emphasize environmental justice by prioritizing disadvantaged communities with high ambient diesel pollution levels.

The activities under this project include: deployment of 44 zero-emission vehicles and equipment, installation of 57 electric vehicle chargers, installation of a hydrogen fueling station, implementation of renewable energy systems, establishment of new baseline emissions inventories and emissions reduction plans for collaborating ports, conducting community engagement activities, and workforce development initiatives to train workers in the operation and maintenance of zero emission technologies.

The anticipated deliverables include a fleet of 44 zero-emission vehicles and associated charging equipment, comprehensive emissions inventories and reduction plans for collaborating entities, renewable energy installations, and community engagement reports and workforce training programs.

The expected outcomes include significant reductions in GHG emissions and particulate matter from port operations, enhanced air quality and reduced noise pollution for surrounding communities, increased capacity for clean energy infrastructure and zero emission technology at Illinois ports, and improved operational efficiency and resilience of port facilities to climate impacts.

The intended beneficiaries include residents of disadvantaged communities in Cook and St. Clair counties, Illinois port operators and collaborating entities, and more broadly, the citizens of Illinois.

Subawards will be issued to Illinois ports to procure contracts and equipment needed to meet the milestones of the project work plan (e.g., purchase electric vehicles, purchase chargers, etc.)

## Administrative Conditions

### General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Carter Cranberg at [Cranberg.Carter@epa.gov](mailto:Cranberg.Carter@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- Payment requests (if applicable): **Carter Cranberg at [Cranberg.Carter@epa.gov](mailto:Cranberg.Carter@epa.gov)**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Carter Cranberg at [Cranberg.Carter@epa.gov](mailto:Cranberg.Carter@epa.gov)**

## **Programmatic Conditions**

### **Clean Ports Zero-Emission Technology Deployment Competition Programmatic Terms and Conditions**

#### **A. Final Approved Workplan and Modifications**

1. Recipient agrees to carry out the project in accordance with the final approved workplan.
2. Recipients are required to report deviations from budget or project scope or objective, and must request prior written approval from the EPA for:
  - a. any change in the scope or objective of the project (even if there is no associated budget revision requiring prior written approval);
  - b. any change in a key personnel (including employees and contractors) that are identified by name or position in the Federal award specified in the application or workplan; the disengagement from the project for more than three months, or a 25% reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project director or project manager;
  - c. The inclusion of costs that require prior approval in accordance with 2 CFR Part 200 Subpart E—Cost Principles or 48 CFR part 31, “Contract Cost Principles and Procedures,” as applicable;
  - d. the transfer of funds budgeted for participant support costs to other budget categories as defined in 2 CFR Section 200.1 Definitions to other categories of expense;
  - e. unless described in the final approved workplan and budget, the subawarding, transferring or contracting out of any work under the award;
  - f. changes in the total approved cost-sharing provided by the recipient; or the need arises for additional Federal funds to complete the project.

Requests for proposed modifications to the approved workplan or budget, including additions, deletions, or changes in the schedule, must be submitted in a timely manner to the EPA Project Officer for approval, to minimize project delays. Depending on the type or scope of changes, a formal amendment to the award may be necessary. Major project modifications which include changes to the approved types and number of partners and equipment, or to the approved project partners and location(s) may not be allowed.

#### **B. Performance Reporting and Final Performance Report**

##### **B1. Performance Reports – Content**

In accordance with 2 CFR 200.329, the recipient agrees to complete and submit electronic performance reports using reporting template(s), including the approved Clean Ports Project Reporting Template ([EPA Form Number: 5900-690](#) or future revisions, as applicable), which will be provided by the project officer. The purpose of performance reports is to provide updates on implementation of each project, including information on each of the following areas:

1. A comparison of accomplishments to the outputs/outcomes established in the assistance agreement work plan for the reporting period, including detailed technical information on new mobile equipment and electric charging and hydrogen fueling infrastructure deployed, and the retirement of older equipment, as appropriate;
2. The reasons why any established outputs/outcomes were not met;
3. Additional information, analysis and explanation of cost overruns or higher than-expected-unit costs; and
4. As applicable, information related to good jobs metrics and workforce training outcomes in accordance with information collection instrument through General Performance Reporting for Assistance Programs (EPA ICR Number 2802.01, OMB Control Number 2090-NEW).

Additionally, the recipient agrees to notify the EPA when a significant development occurs that could impact the award. Examples of significant developments can include:

- events that enable meeting milestones and objectives sooner or at less cost than anticipated;
- events that produce different beneficial results than originally planned; or
- problems, delays, or adverse conditions which will impact the ability to meet the milestones or objectives of the award, including outputs/outcomes specified in the assistance agreement work plan.

If a significant development negatively impacts the award, the recipient must include information on their plan for corrective action and any assistance needed to resolve the situation.

The final project report will include all categories of information required for semi-annual reporting, including a final, detailed description of all zero-emission technology deployment activities completed at each project location. The final project report will also include a narrative summary of the project and the successes and lessons learned for the entire project.

## **B2. Performance Reports - Frequency**

Throughout the 4-year performance period, the recipient agrees to submit **semi-annual** performance reports electronically to the EPA Project Officer by the due date following the conclusion of each semi-annual reporting period. The semi-annual reporting periods are:

January 1 – June 30: Report due date July 30.

July 1 – December 31: Report due date January 30

Additional reporting may be required if the grant is extended or at the discretion of the EPA Project Officer. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

## **B3. Subaward Performance Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(e). Examples of

items that must be reported are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(f), 2 CFR 200.208, and the 2 CFR Part 200.339 Remedies for Noncompliance.

If the recipient is unable to obtain this information, the recipient must report to EPA why the information is not available.

### **C. Cybersecurity Condition**

#### **State Grant Cybersecurity**

1. The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.
- 2.a. The EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or the EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by the EPA's regulatory programs for the submission of reporting and/or compliance data.

- b. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in 2.a if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or the EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(e), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and the EPA.

## D. Project Transparency

The recipient agrees to engage with near-port communities about the project during the performance period. Examples of appropriate community engagement during the project period are outlined on pg. 45 of the Notice of Funding Opportunity. Community engagement activities conducted as part of the final approved workplan should be reported in performance reporting described in Programmatic Term and Condition B (Performance Reporting and Final Performance Report).

1. The recipient agrees to publicly share, such as on a webpage, a detailed written summary of the results of the emissions inventory and/or emission reduction plan included in the final workplan.

## E. Automated Standard Application Payments (ASAP) and Proper Payment Draw Down

The recipient is subject to the Automated Standard Application Payments (ASAP) and Proper Payment Draw Down General Term and Condition. See the “Financial Information” section of the [General Terms and Conditions](#).

The recipient is required to notify the EPA Project Officer of draws from ASAP in excess of 50% of the award within a 24-hour period. The recipient is required to provide such notification within 3 business days of the draw amount being surpassed.

The recipient is subject to the Management Fees General Term and Condition, which includes the following requirements that prohibit profit on the part of the recipient:

1. Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable.
2. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work. See the [“Selected Items of Cost” section of the General Terms and Conditions](#).

## F. Public or Media Events

The recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## G. Program Beneficiary

Program beneficiaries must abide by requirements to ensure that the funds are used only for authorized purposes.

## H. Procurement Procedures

As provided in 2 CFR 200.317, with limited exceptions, states and Indian Tribes must follow the same policies and procedures they follow for procurements financed with non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in [§§ 200.318](#) through [200.327](#). In addition to its own policies and procedures, a State or Indian Tribe must



also comply with the following procurement standards: [§§ 200.321](#), [200.322](#), [200.323](#), and [200.327](#). All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in [§§ 200.318](#) through [200.327](#).

The recipient must follow applicable procurement procedures. The EPA will not be a party to these transactions. If the EPA funds are used to purchase goods or services, recipient agrees to compete the contracts for those goods and services and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 2 CFR §§200.318 – 327. Approval of a funding application does not relieve recipients of their obligations to compete service contracts and conduct cost and price analyses.

## I. Quality Assurance

### Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

#### Option 1

- i. Develop a QAPP,
- ii. Prepare QAPP in accordance with the current version of the EPA's [Quality Assurance Project Plan \(QAPP\) Standard](#),
- iii. Submit the document for EPA review, and
- iv. Obtain the EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

OR

#### Option 2

- i. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
  - ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and the EPA Project Officer (PO) in writing if the previously EPA-approved QAPP is acceptable for this agreement.
- b. The recipient must submit the QAPP 90 days after grant award, or 90 days prior to anticipated data collection.
- c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. The EPA may require the QAPP be updated and re-submitted for approval.
- d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur (QAM or PO may add additional specifications).

### For Reference:

- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard](#); contain quality specifications for the EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#).
- (QAM and/or PO may insert QA references that inform or assist the recipient here).

- The [EPA's Quality Program](#) website has a [list of QA managers](#), and [Specifications for EPA and Non-EPA Organizations](#)
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

## J. Climate Resilience

To the extent practicable, the recipient agrees to incorporate current and future climate change risk in planning, siting, design, and operation of the project. Approaches for incorporating climate change risk may make use of climate change data and information (e.g., projections and emission scenarios) that are reflective of the project's anticipated lifespan. This includes consideration of the climate change risks posed to the individuals, communities, local governments, organizations, or other entities served by the project over its anticipated lifespan.

## K. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, the EPA logo must **not** be prominently displayed in a way that may imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the Illinois Environmental Protection Agency received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

## L. Build America, Buy America (BABA) Requirements

All projects under this competition are subject to the domestic sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58, §§ 70911-70917) when using federal funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. The Buy America preference requirement applies to all of the iron and steel, manufactured products, and construction materials used for the infrastructure project under an award for identified EPA financial assistance funding programs.

These sourcing requirements require that all iron, steel, manufactured products, and construction materials used in Federally funded infrastructure projects must be produced in the United States, as defined in P.L. 117-58 § 70912(6). The recipient must implement these requirements in its procurements, and this article must flow down to all subawards and contracts. For legal definitions and sourcing requirements, the recipient must consult EPA's Build America, Buy America website.

Clean Ports Program grants are subject to the requirements of BABA, which requires applicants to comply with Buy America preference requirements or apply for a waiver for each infrastructure project. The following potentially eligible projects under this competition meet the definition of "infrastructure" and are subject to Buy America preference requirements under BABA:

- Structures, facilities, and equipment that generate, transport, and distribute energy - including electric vehicle (EV) charging equipment.
- Any other permanent public structure that meets the qualifies as "infrastructure" as addressed in [OMB Memorandum M-24-02](#) and 2 C.F.R. section 184.4(c).

Questions regarding BABA applicability to specific Clean Ports Program projects should be submitted to [BABA-OTAQ@epa.gov](mailto:BABA-OTAQ@epa.gov).

When necessary and supported by rationale provided in P.L 117-58 § 70914, the recipient may submit a project-specific waiver request to EPA or notify EPA when using an existing waiver. The recipient should request guidance on submitting a BABA waiver request from the EPA Project Officer. A list of existing approved EPA waivers is available on the EPA Build America, Buy America website (including a waiver specific to the Clean Ports Program) at: <https://www.epa.gov/cwsrf/build-america-buy-america-baba-approved-waivers>. Please continue to monitor this website for further BABA guidance or any future EPA waivers that may impact the Clean Ports grants program.

See EPA's "Build America, Buy America" general term and condition for additional requirements: <https://www.epa.gov/grants/grant-terms-and-conditions>.

## M. Eligible and Ineligible Project Costs

1. Project Implementation Costs: Eligible project costs include those costs directly related to the implementation, management, and oversight of the project, including the proportion of recipient and subrecipient personnel and benefit costs expended in relation to the award, equipment, contractual, travel, supplies, subgrants and rebates, and indirect costs. See 2 C.F.R. Part 200, Sections 200.412-200.415.

### 2. Zero-Emissions (ZE) Mobile Equipment Costs.

a. Recipient shall only use assistance funding to purchase ZE mobile equipment that will directly serve at least one port for a minimum of three years.

b. For purposes of this assistance program, a port is either a water port or a dry port, as defined below:

i. Water port: places on land alongside navigable water (e.g., oceans, rivers, or lakes) with one or more facilities in close proximity for the loading and unloading of passengers or cargo from ships, ferries, and other commercial vessels. This includes facilities that support non-commercial Tribal fishing operations.

ii. Dry port: an intermodal truck-rail facility that is included in the 2024 Federal Highway Administration's (FHWA) Intermodal Connector Database based on meeting the criteria set in 23 C.F.R. Part 470. These criteria include having more than 50,000 TEUs (20-foot equivalent units) per year or other units measured that would convert to more than 100 trucks per day, or comprising more than 20 percent of freight volumes handled by any mode within a State.

c. For purposes of this assistance program, zero emission mobile equipment is that which can move to a different location by means of an onboard powertrain as part of normal operations and produces zero tailpipe emissions of any criteria pollutant, air toxics, or greenhouse gas other than water vapor. Eligible zero emission mobile equipment is limited to electric and hydrogen fuel cell technologies.

d. Eligible project costs include the purchase and deployment of new eligible battery-electric or hydrogen fuel cell vehicles, vessels, powertrains, and other mobile equipment that directly serve at least one port for a minimum of three years according to the following minimum parameters for each mobile equipment category.

- i. Cargo handling equipment (terminal tractors, forklifts, top handlers, side picks, straddle carriers, etc.): at least 90% of annual usage (hours) will take place at the port(s) identified in the award.
  - ii. Drayage Trucks: at least 100 visits/year will take place at the port(s) identified in the award.
  - iii. Locomotives (switchers, railcar movers): (1) at least 75% of its annual usage (hours) will take place at the port(s) identified in the application, (2) shall visit the port(s) identified in the award on a minimum of 200 days per year, and (3) must exclusively perform short-haul runs between the port(s) identified in the award and a second point of rest, e.g., a terminal, interchange, or yard.
  - iv. Harbor craft and other vessels (commercial and Tribal fishing vessels, tugs, ferries, patrol boats, workboats, dredges, pilot boats, barges, etc.): at least 60% of its annual usage (hours and port visits) will take place at the port(s) identified in the award.
  - v. Other eligible mobile source equipment: at least 90% of annual usage (hours and operating days) must take place at the port(s) identified in the award.
- e. Mobile equipment must be human-operated and human-maintained.
- f. Recipient shall not use assistance funding for any of the following types of equipment or activities.
- i. Equipment which uses a non-ZE powertrain, including hybrid technologies powered in part by internal combustion engines, unless the non-ZE power source is mandated by safety regulations, and functions solely as a source of emergency backup power.
  - ii. First-of-a-kind demonstration and pilot projects designed to determine the technical feasibility and economic potential of technologies at either a pilot or prototype stage.
  - iii. Research and development projects. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is defined as the systematic use of knowledge and understanding gained from research, and directed toward the production of technologies, devices, systems, or methods, including design and development of prototypes and processes.
  - iv. Ship modifications to allow vessels to accept shore-based electrical power, unless the modification is part of a project to replace the internal combustion engine(s) of a marine vessel with a ZE powertrain.
  - v. Light-duty vehicles.
  - vi. Expenses related to repowering and/or replacing engines for existing onroad vehicles.
  - vii. Expenses related to replacing internal combustion engines in existing nonroad equipment, locomotives, and marine vessels with ZE powertrains where the updated nonroad equipment, locomotive, or marine vessel includes a non-ZE powertrain, unless the non-ZE power source is mandated by safety regulations, and functions solely as a source of emergency backup power.
  - viii. Expenses related to replacing cabs, axles, paint, brakes, mufflers, or any other parts or materials that are not required to ensure the effective installation and functioning of the

replacement of an internal combustion engine in existing nonroad equipment, locomotives, or marine vessels with a ZE powertrain.

### 3. Fueling Infrastructure Costs:

a. Recipient agrees that any infrastructure purchased or installed using EPA assistance funding may only be used to purchase or install infrastructure which will directly serve at least one port, as defined above in M.2.b. for a minimum of three years and according to the following parameters:

- i. All infrastructure (except for vessel shore power) must directly serve eligible ZE mobile equipment purchased as part of the award. However, equipment not purchased as part of the grant may also utilize the fueling infrastructure.
- ii. Infrastructure serving any mobile equipment (besides drayage trucks and locomotives) must be located on-site or in close proximity to port facilities identified in the award.
- iii. Infrastructure serving drayage trucks or locomotives must be located on-site or in close proximity to port facilities identified in the applications, or at the first point of rest from the port facilities identified in the award (i.e., a terminal, depot, interchange, or yard where an eligible ZE mobile equipment purchased as part of the grant will fuel).

b. Infrastructure must be human-operated and human maintained.

c. For shore power projects, shore power-capable vessels docked at a berth where shore power is available must be required to turn off the vessel's engines and use the shore power system, with limited exceptions for extreme circumstances.

d. Electric charging infrastructure must be located at or behind the meter (on the customer side) except for minor grid upgrades in front of the meter (utility side) if the work is necessary to connect an eligible charging station to the electric distribution network.

e. Alternating Current (AC) Level 2 charging infrastructure must be EPA ENERGY STAR certified at the time of purchase.

f. Electric charging infrastructure must meet the following installation requirements: Electricians installing, operating, or maintaining electric charging infrastructure purchased through this program are required to be certified under the Electric Vehicle Infrastructure Training Program or another program approved by the EPA in consultation with the Department of Labor and Department of Transportation, as will be reflected in the terms of this grant award. For projects requiring more than one electrician, at least one of the electricians performing each phase of the infrastructure work should meet the requirements above.

g. Recipient agrees not to use EPA assistance funding for any of the following ineligible infrastructure costs:

- i. Front of the meter costs related to purchase or installation of electric infrastructure. This includes but is not limited to: major grid upgrades to utility-owned power distribution equipment (such as longer power line extensions, improvements to offsite power generation, bulk power transmission, or substations); transformers located on the utility side of the meter and their installation; and operation and maintenance performed on utility systems.

ii. Infrastructure which relies on air polluting components (e.g., backup generators or auxiliary power units), unless the non-ZE component is mandated by safety regulations, and functions solely as an emergency backup power source.

iii. Power generation systems (including non-renewable powered backup generators), except for solar and wind power generation systems that primarily power mobile equipment and which are located on land.

iv. Hydrogen production systems (e.g., electrolyzers, conversion facilities), associated infrastructure, and their installation.

v. Transmission (e.g., piping and pipelines) and/or transportation of hydrogen outside of the port.

h. Marine shore power projects must meet applicable international shore power design standards (IEC/ISO/IEEE 80005-1:2019/AMD 2:2023 High Voltage Shore Connection Systems or the IEC/PAS 80005-3:2014 Low Voltage Shore Connection Systems).

i. Solar or wind power generation systems must be located on land in close proximity to the port facilities identified in the award; or at the first point of rest from the port facilities for infrastructure serving drayage trucks or locomotives. Offshore wind and floating solar/wind infrastructure purchases and installation are not permitted.

4. Ineligible Technology Deployment Support Costs: The recipient may not use EPA assistance funding for the following purposes:

a. Feasibility assessment of ZE technology. Technology feasibility assessment is a preliminary exploration of a candidate technology to determine its merits and viability for successful deployment in regular service. A feasibility assessment can include the evaluation of key technical, operational, labor, economic, legal/regulatory, and deployment (timeline/schedule) issues. Feasibility assessment results are used to create a realistic project plan, schedule, and budget. [These activities are eligible for funding in the separate NOFO for Climate and Air Quality Planning projects under Funding Opportunity Number EPA-R-OAR-CPP-24-05. However, please note that applicants requesting funding for technology deployment under this ZE Technology Deployment Competition are expected to have conducted necessary feasibility assessments prior to applying and should not be planning to conduct further feasibility assessments prior to deployment.]

b. Costs for resiliency measures not directly related to protecting equipment purchased as part of the grant award from extreme weather events.

c. Leasing vehicles or equipment. If financing is necessary, the purchase should be financed with a conventional purchase loan.

d. Fuel and electricity expenses.

5. Other Ineligible Costs: As proscribed in Section 825 of the National Defense Authorization Act, no funds may be awarded to an entity that uses in part or in whole: the national transportation logistics public information platform (commonly referred to as 'LOGINK'); any national transportation logistics information platform provided by or sponsored by the People's Republic of China, or a controlled commercial entity; or a similar system provided by Chinese state-affiliated entities.



## N. Program Audit

In addition to the provisions of [EPA's General Terms and Conditions](#) which relate to audits and access to records, the recipient agrees to comply with random EPA reviews of the recipient to protect against waste, fraud, and abuse. As part of this process, EPA, or its authorized representatives, may request copies of grant documents from prior recipients who have received grants, or may request documentation from current recipients and sub-awardees, to verify statements made on the application and reporting documents. Recipients may be selected for advanced monitoring, including a potential site visit to confirm project details. EPA, or its authorized representatives, may also conduct site visits to confirm documentation is on hand and that purchased equipment and infrastructure is in service at the ports named in the award, as well as confirm applicable infrastructure adheres to Build America, Buy America (BABA) requirements (see BABA Programmatic Term and Condition for more details). Recipients are expected to comply with site visit requests and recordkeeping requirements and must supply EPA with any requested documents for as long as the records are retained, or risk cancellation of an active grant application or other enforcement action.

## O. Record Retention

Recipients must keep all financial records, supporting documents, accounting books and other evidence of Grant Program activities for three years from the date of submission of the final financial report. If any litigation, claim, or audit is started before the expiration of the three-year period, the recipient must maintain all appropriate records until these actions are completed and all issues resolved.

## P. Operation and Maintenance

The recipient will ensure the continued proper operation and maintenance of equipment and devices funded under this agreement. Such equipment and infrastructure shall be operated and maintained for the expected lifespan of the specific measure and in accordance with commonly accepted design standards and specifications. The recipient shall include a provision in every applicable sub-agreement (subgrant or contract) awarded under this grant requiring that the equipment and devices funded under this agreement be properly operated and maintained. Likewise, the sub-agreement will assure that similar provisions are included in any sub-agreements that are awarded by the sub-recipient.

## Q. Foreign Entity of Concern

1. As part of carrying out this award, recipient agrees that they are not:

- a. an entity owned by, controlled by, or subject to the direction of a government of a "covered nation" as defined at 10 U.S.C. § 4872(d);
- b. an entity headquartered in a "covered nation" as defined at 10 U.S.C. § 4872(d); or
- c. a subsidiary of an entity described in (A) or (B).

Note: Paragraph 1 applies to the recipient of this award only and not subrecipients.

2. Additionally, awarded funds may not be used by the recipient or subrecipients for the purchase of a crane manufactured by (A) any entity owned by, controlled by, or subject to the direction of a government of a covered nation "covered nation" as defined at 10 U.S.C. § 4872(d); or (B) any entity headquartered

in a covered nation “covered nation” as defined at 10 U.S.C. § 4872(d).

As of the date these terms and conditions become effective, covered nations under 10 U.S.C. § 4872(d) are the Democratic People's Republic of North Korea; the People's Republic of China; the Russian Federation; and the Islamic Republic of Iran.

## **R. Emissions Inventories**

The recipient agrees to follow the EPA's Port Emissions Inventory Guidance, when developing the emissions inventories included in the workplan. This guidance may be found at: <https://www.epa.gov/ports-initiative/port-and-goods-movement-emission-inventories>.

## **S. Competency Policy**

### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, [Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements](#), Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the policy is available online at [https://www.epa.gov/sites/default/files/2017-05/documents/policy\\_to\\_assure\\_the\\_competency\\_of\\_organizations.pdf](https://www.epa.gov/sites/default/files/2017-05/documents/policy_to_assure_the_competency_of_organizations.pdf) or a copy may also be requested by contacting the EPA Project Officer for this award.

Reference: [https://www.epa.gov/sites/default/files/2017-05/documents/policy\\_to\\_assure\\_the\\_competency\\_of\\_organizations.pdf](https://www.epa.gov/sites/default/files/2017-05/documents/policy_to_assure_the_competency_of_organizations.pdf)

## **T. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

## **U. Mandatory Cost Share Requirement**

This award and the resulting federal funding share (as shown under “Notice of Award” in the award document) is based on estimated costs requested in the recipient's final approved workplan. While actual total costs may differ than those estimates, the recipient is required to provide no less than the cost-share percentages outlined below, as applicable, of the final Zero-Emission (ZE) Technology Deployment Grant Competition costs. The EPA's participation shall not exceed the total amount of federal funds awarded or the maximum federal cost-share percentages outlined below, as applicable, of the final equipment costs. Recipients must satisfy any applicable cost share requirements with allowable costs as set forth in 2 CFR § 200.306. The cost share requirement is as follows:

**Tier B (Water or Dry Ports):** EPA Share of Total Project Cost (Maximum) = 90%, Mandatory Cost Share of Total Project Costs = 10%

Total Project cost refers to total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

## V. Voluntary Cost Share

This award and the resulting federal funding of \$104,132,469.00 is based on estimated costs requested in the recipient's application at the later of (a) the time this funding opportunity closed on May 28, 2024, or (b) when negotiations concluded. Included in these costs is a voluntary cost-share contribution of \$1,661,214.1 by the recipient in the form of a voluntary cost-share or overmatch (providing more than any minimum mandatory cost-share) that the recipient included in its proposal dated 12/2/2024. The recipient must provide this voluntary cost-share contribution during performance of this award unless the EPA agrees otherwise in a modification to this agreement. While actual total costs may differ from the estimates in the recipient's application, the EPA's participation shall not exceed the total amount of federal funds awarded.

If the recipient fails to provide the voluntary cost-share contribution during the period of award performance, and the EPA does not agree to modify the agreement to reduce the cost share, the recipient is in violation of the terms of the agreement. In addition to other remedies available under 2 CFR Part 200, the Agency may consider this factor in evaluating future proposals from the recipient. In addition, if the voluntary cost-share contribution does not materialize during the period of award performance then the EPA may reconsider the legitimacy of the award; if the EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the voluntary cost-share or overmatch the recipient described in its proposal dated 12/2/2024. The EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

## W. Leveraged Resources for Complementary Initiatives

**Leveraging:** The recipient agrees to provide the proposed leveraged funding, including any voluntary cost-share contribution or overmatch, that is described in its proposal dated 12/2/2024. If the proposed leveraging does not materialize during the period of award performance, and the recipient does not provide a satisfactory explanation, the Agency may consider this factor in evaluating future proposals from the recipient. In addition, if the proposed leveraging does not materialize during the period of award performance then the EPA may reconsider the legitimacy of the award; if the EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the leveraged funding the recipient described in its proposal dated 12/2/2024 the EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

## X. Davis-Bacon and Related Acts (DBRA) Term and Condition

### 1. Program Applicability

a. Program Name – Clean Ports Program

b. Statute requiring compliance with Davis-Bacon – Clean Air Act Section 314

c. Activities subject to Davis-Bacon – any construction activities funded by this grant.

d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

## 2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) (<https://www.dol.gov/agencies/whd/government-contracts/construction>) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000.

## 3. Recipient Responsibilities When Entering Into and Managing Contracts:

### a. Solicitation and Contract Requirements:

- Include the Correct Wage Determinations in Bid Solicitations and Contracts:** Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.
- Include DBRA Requirements in All Contracts:** Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the [DBRA Requirements for Contractors and Subcontractors Under EPA Grants](#).”

### b. After Award of Contract:

- Approve and Submit Requests for Additional Wages Rates:** Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).
- Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions:** Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

## 4. Recipient Responsibilities When Establishing and Managing Additional Subawards: a. Include DBRA Requirements in All Subawards (including Loans):

Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients.”

**Provide Oversight to Ensure Compliance with DBRA Provisions:** Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

## 5. Consideration as Part of Every Prime Contract Covered by DBRA

The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

### Y. Voluntary Scrappage

1. Recipient must provide, in the semi-annual and final reports, evidence of appropriate scrappage and evidence of appropriate disposal for all internal combustion engine equipment or vehicles identified for scrappage in the final workplan, and in accordance with scrappage plans described in the proposal dated May 28, 2024.

2. Participating fleet owners must attest to the appropriate disposal in a signed scrappage statement. A sample scrappage statement (EPA Form 5900-684) may be found at <https://www.epa.gov/system/files/documents/2024-02/2024-clean-ports-sample-scrappage-stmt-2024-02.pdf>. The scrappage statement must include: vehicle owner's name and address; vehicle make, vehicle model, vehicle model year, VIN, odometer/usage meter reading, engine make, engine model, engine model year, engine horsepower, engine ID or serial number, as applicable; Name, address, and signature of dismantler; Date engine and/or vehicle/equipment was scrapped. Recipients must include or attach the following photos with the scrappage statement according to guidance provided by Project Officer, to demonstrate compliance with scrappage requirements: side profile of the vehicle, prior to disabling; VIN tag or equipment serial number; Engine label (showing serial number, engine family number, and engine model year); Engine block, prior to hole; Engine block, after hole; and Cut frame rails.

a. If the recipient for any reason does not scrap the vehicle/piece of equipment described in the application project narrative dated May 28, 2024, or listed on the Supplemental Application Template ("4b. Scrappage Information" tab), an equivalent vehicle/piece of equipment or must be scrapped instead, with approval of the project officer.

b. Equipment identified for scrappage may not be resold or donated instead of being scrapped.

3. The existing vehicle/equipment must be scrapped or rendered permanently disabled within two years of delivery of the equivalent new zero-emissions vehicle/equipment, or before the end of the project performance period, whichever comes first.

a. Cutting a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred method for scrappage. Other acceptable scrappage methods may be considered and will require prior EPA approval.

b. Disabling the chassis may be completed by cutting through the frame or frame rails on each side at a point located between the front and rear axles.

c. Recipients seeking approval for alternate scrappage methods must submit an alternative scrappage plan to the EPA project officer detailing how the method will destroy and/or disable the engine and must,

if approved, comply with the evidence requirements listed below, including digital photographs.

4. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being scrapped (e.g., seats, tires, etc.).

a. If disabled engines, disabled vehicles, disabled equipment, or parts are to be sold, program income requirements apply.

5. Equipment to be scrapped must meet ownership, usage, and remaining life criteria defined in 5.a. through 5.f.:

a. The existing equipment being scrapped must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to perform its function.

b. The participating fleet owner must currently own and operate the existing equipment and have owned and operated it during the two years prior to upgrade.

c. The existing equipment being scrapped must have at least three years of remaining life at the time of scrappage. Remaining life is the owner's estimate of the number of years until the unit would have been retired from service if the unit were not being scrapped because of the grant funding. The remaining life estimate includes years of service expected after being rebuilt or sold to another fleet. Remaining life depends on the current age and condition of the vehicle at the time of upgrade, as well as factors like usage, maintenance, and climate.

d. Equivalent Replacement: The existing engine/equipment being scrapped must have similar horsepower as the new engine/equipment being purchased (within 40%).

e. Highway Usage:

i. To be eligible, the existing certified highway vehicle must have accumulated at least 7,000 miles/year during the two years prior to scrappage.

ii. Exception: If an applicant can demonstrate that a certified highway vehicle is being used in a predominately nonroad application (e.g., those that idle for long periods to power an auxiliary apparatus), the definition below under "Nonroad Usage" of engine operating hours may be used if approved by the project officer. The EPA will review and approve this exception on a case-by-case basis.

iii. The mileage of two or more units may be combined to reach the thresholds above, where two or more units will be scrapped and replaced with a single unit.

f. Nonroad Usage:

i. To be eligible, nonroad engines should operate at least 500 hours/year during the two years prior to scrappage.

ii. The engine operating hours of two or more units may be combined to reach the thresholds above where two or more units will be scrapped and replaced with a single unit.



## 6. Locomotive and Marine Usage:

- a. Existing locomotive and marine engines to be scrapped must operate at least 1,000 hours/year during the two years prior to scrapping.
- b. The engine operating hours of two or more units may be combined to reach the thresholds above where two or more units will be scrapped and replaced with a single unit.
- c. Participating fleet owners must attest to each of the above criterion in a signed eligibility statement which includes each equipment make, model, year, vehicle or other unique identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment/vessel registration/licensing number and state.

7. This documentation must be submitted as part of the grantee's programmatic reporting to the EPA.

## Z. Historic Preservation

### National Historic Preservation Act (NHPA)

Section 106 of the NHPA requires all federal agencies to consider the effects of their undertakings, including the act of awarding a grant or cooperative agreement, on historic properties, and to provide the Advisory Council on Historic Preservation (ACHP) a reasonable opportunity to comment on such undertakings. The recipient must assist the EPA Project Officer in complying with NHPA if any activities funded under this grant impact a historic property. Historic properties include: (a) land or buildings listed in or eligible for listing on the National Register of Historic Places; (b) archaeologically sensitive areas or in an area where traditional cultural properties are located; and (c) properties that are associated with significant historic events, are associated with significant people, embody distinctive characteristics, and contain important precontact information.

The recipient should work with their Project Officer to ensure that subrecipients are available to work with EPA on any required consultation process with the State or Tribal Historic Preservation Office prior to commencing the project to ensure compliance with Section 106 of the NHPA.

If NHPA compliance is required, necessary Section 106 consultation activities, such as historic or architectural surveys, structural engineering analysis of buildings, public meetings, and archival photographs, can be considered allowable and allocable grant costs.

### Archeological and Historic Preservation Act (AHPA)

This law applies if archeologically significant artifacts or similar items are discovered after an EPA-funded construction project has begun, and compliance may be coordinated with the NHPA, discussed above. The AHPA requires federal agencies to identify relics, specimens, and other forms of scientific, prehistorical, historical, or archaeologic data that may be lost during the construction of federally-sponsored projects to ensure that these resources are not inadvertently transferred, sold, demolished or substantially altered, or allowed to deteriorate significantly. The recipient must ensure that subrecipients performing construction projects are aware of this requirement, and the recipient must notify EPA if the AHPA is triggered.

## AA. Other Federal Requirements

In addition to other statutes outlined in these programmatic terms and conditions, the recipient must comply with all federal cross-cutting requirements. These requirements include, but are not limited to:

- **Endangered Species Act, as specified in 50 CFR Part 402:** Non-Federal entities must identify any impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that no adverse effects to a protected species or habitat occur from actions under Federal assistance awards and conduct the reviews required under the Endangered Species Act, as applicable.
- **Federal Funding Accountability and Transparency Act:** Recipients of financial assistance awards must comply with the requirements outlined in 2 CFR Part 170, *Reporting Subaward and Executive Compensation* and in the General Term and Condition "Reporting Subawards and Executive Compensation."
- **Farmland Protection Policy Act:** This statute requires EPA to use criteria developed by the Natural Resources Conservation Service (NRCS) to identify the potential adverse effects of Federal programs on farmland and its conversion to nonagricultural uses, to mitigate these effects, and to ensure that programs are carried out in a manner that is compatible with the farmland preservation policies of state and local governments, and private organizations. Recipients may need to work with EPA or NRCS, as appropriate, to ensure compliance.
- **Coastal Zone Management Act:** Projects funded under federal financial assistance agreements must be consistent with a coastal State's approved management program for the coastal zone.

#### **BB. Equipment Disposition**

In accordance with 2 CFR 200.313, when original or replacement equipment acquired under this agreement is no longer needed for the original project or program or for other activities currently or previously supported by the EPA, the recipient must request disposition instructions from the EPA Project Officer. Disposition instructions will be one of the following:

1. Equipment with a current fair market value of \$10,000 or less (per unit) may be retained, sold, or otherwise disposed of with no further obligation to the EPA or pass-through entity.
2. Except as provided in 2 CFR 200.312(b), or if EPA or the pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of \$10,000 (per unit) may be retained or sold by the recipient or subrecipient. EPA is entitled to an amount calculated by multiplying the percentage of the EPA's contribution towards the original purchase by the current market value or proceeds from the sale. If the equipment is sold, EPA or the pass-through entity may permit the recipient or subrecipient to retain, from the Federal share \$1,000 of the proceeds, to cover expenses associated with the selling and handling of the equipment.
3. The recipient or subrecipient may transfer title to the property to the Federal Government or to an eligible third party provided that the recipient or subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.
4. In cases where a recipient or subrecipient fails to take appropriate disposition actions, EPA or the

pass-through entity may direct the recipient to take disposition actions.

# **EXHIBIT C**

SENSITIVE BUT UNCLASSIFIED



## Account Balance Inquiry

Date: 01/28/2025

Time: 2:21 PM

ALC/Region:

68128933

Agency Short Name:

RTP-Grants

Account ID:

N/A

Recipient ID:

[REDACTED]

Requestor ID:

N/A

Account Status:

Open

As of Date:

Jan 27, 2025

## Inquiry Results:

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
[REDACTED]	ILEPA	[REDACTED]	\$40,675,000.00	\$0.00	\$40,675,000.00
[REDACTED]	ILEPA	[REDACTED]	\$3,500,000.00	\$0.00	\$3,500,000.00
[REDACTED]	ILEPA	[REDACTED]	\$80,494,000.00	-\$80,494,000.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$94,270,000.00	-\$83,580,159.37	\$10,689,840.63
[REDACTED]	ILEPA	[REDACTED]	\$102,852,000.00	-\$27,321,641.49	\$75,530,358.51
[REDACTED]	ILEPA	[REDACTED]	\$67,885,000.00	-\$67,885,000.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$63,895,000.00	-\$63,599,956.86	\$295,043.14
[REDACTED]	ILEPA	[REDACTED]	\$69,753,000.00	-\$31,963,758.28	\$37,789,241.72
[REDACTED]	ILEPA	[REDACTED]	\$32,734,000.00	-\$24,805,954.81	\$7,928,045.19
[REDACTED]	ILEPA	[REDACTED]	\$32,999,000.00	\$0.00	\$32,999,000.00
[REDACTED]	ILEPA	[REDACTED]	\$1,713,333.00	-\$1,496,895.33	\$216,437.67
[REDACTED]	ILEPA	[REDACTED]	\$0.00	\$0.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$106,964,000.00	-\$5,851,002.93	\$101,112,997.07
[REDACTED]	ILEPA	[REDACTED]	\$239,745,000.00	\$0.00	\$239,745,000.00
[REDACTED]	ILEPA	[REDACTED]	\$1,936,194.00	-\$1,495,763.89	\$440,430.11
[REDACTED]	ILEPA	[REDACTED]	\$733,568.00	-\$2,000.00	\$731,568.00
[REDACTED]	ILEPA	[REDACTED]	\$859,213.00	-\$63,488.91	\$795,724.09
[REDACTED]	ILEPA	[REDACTED]	\$3,000,000.00	-\$338,537.04	\$2,661,462.96
[REDACTED]	ILEPA	[REDACTED]	\$430,251,378.00	\$0.00	\$430,251,378.00
[REDACTED]	ILEPA	[REDACTED]	\$1,110,081.00	\$0.00	\$1,110,081.00
[REDACTED]	ILEPA	[REDACTED]	\$2,997,998.00	\$0.00	\$2,997,998.00
[REDACTED]	ILEPA	[REDACTED]	\$92,058,008.00	\$0.00	\$92,058,008.00
[REDACTED]	ILEPA	[REDACTED]	\$270,626.00	-\$230,169.83	\$40,456.17
[REDACTED]	ILEPA	[REDACTED]	\$171,097.00	-\$45,000.00	\$126,097.00
[REDACTED]	ILEPA	[REDACTED]	\$8,450,000.00	-\$7,166,805.00	\$1,283,195.00
[REDACTED]	ILEPA	[REDACTED]	\$23,880,678.00	-\$19,951,534.30	\$3,929,143.70
[REDACTED]	ILEPA	[REDACTED]	\$726,000.00	-\$53,355.68	\$672,644.32
[REDACTED]	ILEPA	[REDACTED]	\$1,385,000.00	-\$59,393.41	\$1,325,606.59
[REDACTED]	ILEPA	[REDACTED]	\$1,392,000.00	\$0.00	\$1,392,000.00

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ILEPA	\$1,509,000.00	\$0.00	\$1,509,000.00
ILEPA	\$6,748,000.00	-\$3,809,969.31	\$2,938,030.69
ILEPA	\$6,930,000.00	-\$4,245,367.72	\$2,684,632.28
ILEPA	\$6,930,000.00	-\$1,392,579.40	\$5,537,420.60
ILEPA	\$6,930,000.00	\$0.00	\$6,930,000.00
ILEPA	\$6,685,600.00	\$0.00	\$6,685,600.00
ILEPA	\$308,824.00	-\$281,428.84	\$27,395.16
ILEPA	\$52,330,000.00	-\$52,330,000.00	\$0.00
ILEPA	\$33,926,000.00	-\$33,926,000.00	\$0.00
ILEPA	\$36,922,000.00	-\$36,922,000.00	\$0.00
ILEPA	\$749,115.00	\$0.00	\$749,115.00
ILEPA	\$935,220.00	\$0.00	\$935,220.00
ILEPA	\$42,014,000.00	-\$41,505,000.00	\$509,000.00
ILEPA	\$26,439,000.00	-\$26,434,397.00	\$4,603.00
ILEPA	\$14,957,128.00	-\$14,757,128.00	\$200,000.00
ILEPA	\$14,143,000.00	-\$13,377,280.00	\$765,720.00
ILEPA	\$179,977.00	-\$152,986.63	\$26,990.37
ILEPA	\$297,395.00	-\$17,311.77	\$280,083.23
ILEPA	\$177,175.00	\$0.00	\$177,175.00
ILEPA	\$2,260,000.00	\$0.00	\$2,260,000.00
ILEPA	\$1,893,296.00	\$0.00	\$1,893,296.00
ILEPA	\$200,000.00	-\$74,347.94	\$125,652.06
ILEPA	\$300,000.00	\$0.00	\$300,000.00
ILEPA	\$190,000.00	\$0.00	\$190,000.00
ILEPA	\$675,007.00	-\$530,061.91	\$144,945.09
ILEPA	\$781,924.00	\$0.00	\$781,924.00
ILEPA	\$1,803,000.00	\$0.00	\$1,803,000.00
ILEPA	\$2,389,000.00	\$0.00	\$2,389,000.00
ILEPA	\$1,042,000.00	\$0.00	\$1,042,000.00
ILEPA	\$121,277.00	-\$75,001.58	\$46,275.42
ILEPA	\$1,220,269.00	-\$1,083,290.10	\$136,978.90
ILEPA	\$350,000.00	-\$227,528.53	\$122,471.47
ILEPA	\$1,681,556.00	-\$1,573,257.00	\$108,299.00
ILEPA	\$5,890,000.00	-\$4,319,442.42	\$1,570,557.58
ILEPA	\$73,095.00	-\$13,165.24	\$59,929.76
ILEPA	\$750,212.00	-\$37,309.36	\$712,902.64
ILEPA	\$71,635.00	-\$57,284.15	\$14,350.85
ILEPA	\$25,000.00	\$0.00	\$25,000.00
ILEPA	\$543,322.00	-\$270,955.39	\$272,366.61
ILEPA	\$251,083.00	-\$160,699.82	\$90,383.18
ILEPA	\$112,500.00	-\$32,221.04	\$80,278.96
ILEPA	\$57,189.00	-\$37,750.86	\$19,438.14
	\$1,788,493,973.00	-\$654,048,181.14	\$1,134,445,791.86





# **EXHIBIT D**



## Account Balance Inquiry

Date: 01/29/2025  
 Time: 1:43 PM

<b>ALC/Region:</b> 68128933	<b>Agency Short Name:</b> RTP-Grants	<b>Account ID:</b> N/A	
<b>Recipient ID:</b> [REDACTED]	<b>Requestor ID:</b> 1734800	<b>Account Status:</b> Open	<b>As of Date:</b> Jan 28, 2025

### Inquiry Results:

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
[REDACTED]	ILEPA	[REDACTED]	\$270,626.00	-\$230,169.83	\$40,456.17
[REDACTED]	ILEPA	[REDACTED]	\$171,097.00	-\$45,000.00	\$126,097.00
[REDACTED]	ILEPA	[REDACTED]	\$8,450,000.00	-\$7,166,805.00	\$1,283,195.00
[REDACTED]	ILEPA	[REDACTED]	\$23,880,678.00	-\$19,951,534.30	\$3,929,143.70
[REDACTED]	ILEPA	[REDACTED]	\$726,000.00	-\$53,355.68	\$672,644.32
[REDACTED]	ILEPA	[REDACTED]	\$1,385,000.00	-\$59,393.41	\$1,325,606.59
[REDACTED]	ILEPA	[REDACTED]	\$1,392,000.00	\$0.00	\$1,392,000.00
[REDACTED]	ILEPA	[REDACTED]	\$1,509,000.00	\$0.00	\$1,509,000.00
[REDACTED]	ILEPA	[REDACTED]	\$6,748,000.00	-\$3,809,969.31	\$2,938,030.69
[REDACTED]	ILEPA	[REDACTED]	\$6,930,000.00	-\$4,245,367.72	\$2,684,632.28
[REDACTED]	ILEPA	[REDACTED]	\$6,930,000.00	-\$1,392,579.40	\$5,537,420.60
[REDACTED]	ILEPA	[REDACTED]	\$6,930,000.00	\$0.00	\$6,930,000.00
[REDACTED]	ILEPA	[REDACTED]	\$6,685,600.00	\$0.00	\$6,685,600.00
[REDACTED]	ILEPA	[REDACTED]	\$308,824.00	-\$281,428.84	\$27,395.16
[REDACTED]	ILEPA	[REDACTED]	\$52,330,000.00	-\$52,330,000.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$33,926,000.00	-\$33,926,000.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$36,922,000.00	-\$36,922,000.00	\$0.00
[REDACTED]	ILEPA	[REDACTED]	\$749,115.00	\$0.00	\$749,115.00
[REDACTED]	ILEPA	[REDACTED]	\$935,220.00	\$0.00	\$935,220.00
[REDACTED]	ILEPA	[REDACTED]	\$42,014,000.00	-\$41,505,000.00	\$509,000.00



### Account Balance Inquiry

Date: 01/29/2025  
 Time: 1:43 PM

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
	ILEPA		\$26,439,000.00	-\$26,434,397.00	\$4,603.00
	ILEPA		\$14,957,128.00	-\$14,757,128.00	\$200,000.00
	ILEPA		\$14,143,000.00	-\$13,377,280.00	\$765,720.00
	ILEPA		\$179,977.00	-\$152,986.63	\$26,990.37
	ILEPA		\$297,395.00	-\$17,311.77	\$280,083.23
	ILEPA		\$177,175.00	\$0.00	\$177,175.00
	ILEPA		\$2,260,000.00	\$0.00	\$2,260,000.00
	ILEPA		\$1,893,296.00	\$0.00	\$1,893,296.00
	ILEPA		\$200,000.00	-\$74,347.94	\$125,652.06
	ILEPA		\$300,000.00	\$0.00	\$300,000.00
	ILEPA		\$190,000.00	\$0.00	\$190,000.00
	ILEPA		\$675,007.00	-\$530,061.91	\$144,945.09
	ILEPA		\$781,924.00	\$0.00	\$781,924.00
	ILEPA		\$1,803,000.00	\$0.00	\$1,803,000.00
	ILEPA		\$2,389,000.00	\$0.00	\$2,389,000.00
	ILEPA		\$1,042,000.00	\$0.00	\$1,042,000.00
	ILEPA		\$121,277.00	-\$75,001.58	\$46,275.42
	ILEPA		\$1,220,269.00	-\$1,083,290.10	\$136,978.90
	ILEPA		\$350,000.00	-\$227,528.53	\$122,471.47
	ILEPA		\$1,681,556.00	-\$1,573,257.00	\$108,299.00
	ILEPA		\$5,890,000.00	-\$4,319,442.42	\$1,570,557.58
	ILEPA		\$73,095.00	-\$13,165.24	\$59,929.76
	ILEPA		\$750,212.00	-\$37,309.36	\$712,902.64
	ILEPA		\$71,635.00	-\$57,284.15	\$14,350.85
	ILEPA		\$25,000.00	\$0.00	\$25,000.00
	ILEPA		\$543,322.00	-\$270,955.39	\$272,366.61



## Account Balance Inquiry

Date: 01/29/2025  
 Time: 1:43 PM

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
	ILEPA		\$251,083.00	-\$160,699.82	\$90,383.18
	ILEPA		\$112,500.00	-\$32,221.04	\$80,278.96
	ILEPA		\$57,189.00	-\$37,750.86	\$19,438.14
		Totals:	\$318,068,200.00	-\$265,150,022.23	\$52,918,177.77

# **EXHIBIT E**





## Account Balance Inquiry

Date: 02/05/2025  
 Time: 11:43 AM

<b>ALC/Region:</b> 68128933	<b>Agency Short Name:</b> RTP-Grants	<b>Account ID:</b> N/A	
<b>Recipient ID:</b> 1734800	<b>Requestor ID:</b> 1734800	<b>Account Status:</b> Open	<b>As of Date:</b> Feb 4, 2025

### Inquiry Results:

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
	ILEPA		\$40,675,000.00	\$0.00	\$40,675,000.00
	ILEPA		\$3,500,000.00	\$0.00	\$3,500,000.00
	ILEPA		\$80,494,000.00	-\$80,494,000.00	\$0.00
	ILEPA		\$94,270,000.00	-\$83,580,159.37	\$10,689,840.63
	ILEPA		\$102,852,000.00	-\$27,321,641.49	\$75,530,358.51
	ILEPA		\$67,885,000.00	-\$67,885,000.00	\$0.00
	ILEPA		\$63,895,000.00	-\$63,599,956.86	\$295,043.14
	ILEPA		\$69,753,000.00	-\$31,963,758.28	\$37,789,241.72
	ILEPA		\$32,734,000.00	-\$24,805,954.81	\$7,928,045.19
	ILEPA		\$32,999,000.00	\$0.00	\$32,999,000.00
	ILEPA		\$1,713,333.00	-\$1,496,895.33	\$216,437.67
	ILEPA		\$0.00	\$0.00	\$0.00
	ILEPA		\$106,964,000.00	-\$5,851,002.93	\$101,112,997.07
	ILEPA		\$239,745,000.00	\$0.00	\$239,745,000.00
	ILEPA		\$1,936,194.00	-\$1,495,763.89	\$440,430.11
	ILEPA		\$733,568.00	-\$2,000.00	\$731,568.00
	ILEPA		\$270,626.00	-\$230,169.83	\$40,456.17
	ILEPA		\$171,097.00	-\$45,000.00	\$126,097.00
	ILEPA		\$8,450,000.00	-\$7,166,805.00	\$1,283,195.00
	ILEPA		\$23,880,678.00	-\$19,951,534.30	\$3,929,143.70



## Account Balance Inquiry

Date: 02/05/2025  
 Time: 11:43 AM

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
	ILEPA		\$726,000.00	-\$53,355.68	\$672,644.32
	ILEPA		\$1,385,000.00	-\$59,393.41	\$1,325,606.59
	ILEPA		\$1,392,000.00	\$0.00	\$1,392,000.00
	ILEPA		\$1,509,000.00	\$0.00	\$1,509,000.00
	ILEPA		\$6,748,000.00	-\$3,809,969.31	\$2,938,030.69
	ILEPA		\$6,930,000.00	-\$4,245,367.72	\$2,684,632.28
	ILEPA		\$6,930,000.00	-\$1,392,579.40	\$5,537,420.60
	ILEPA		\$6,930,000.00	\$0.00	\$6,930,000.00
	ILEPA		\$6,685,600.00	\$0.00	\$6,685,600.00
	ILEPA		\$308,824.00	-\$281,428.84	\$27,395.16
	ILEPA		\$52,330,000.00	-\$52,330,000.00	\$0.00
	ILEPA		\$33,926,000.00	-\$33,926,000.00	\$0.00
	ILEPA		\$36,922,000.00	-\$36,922,000.00	\$0.00
	ILEPA		\$749,115.00	\$0.00	\$749,115.00
	ILEPA		\$935,220.00	\$0.00	\$935,220.00
	ILEPA		\$42,014,000.00	-\$41,505,000.00	\$509,000.00
	ILEPA		\$26,439,000.00	-\$26,434,397.00	\$4,603.00
	ILEPA		\$14,957,128.00	-\$14,757,128.00	\$200,000.00
	ILEPA		\$14,143,000.00	-\$13,377,280.00	\$765,720.00
	ILEPA		\$179,977.00	-\$152,986.63	\$26,990.37
	ILEPA		\$297,395.00	-\$17,311.77	\$280,083.23
	ILEPA		\$177,175.00	\$0.00	\$177,175.00
	ILEPA		\$2,260,000.00	\$0.00	\$2,260,000.00
	ILEPA		\$1,893,296.00	\$0.00	\$1,893,296.00
	ILEPA		\$200,000.00	-\$74,347.94	\$125,652.06
	ILEPA		\$300,000.00	\$0.00	\$300,000.00



### Account Balance Inquiry

Date: 02/05/2025  
 Time: 11:43 AM

Recipient ID	Short Name	Account ID	Cumulative Authorizations	Cumulative Draws/RP/BE	Current Available Balance
	ILEPA		\$190,000.00	\$0.00	\$190,000.00
	ILEPA		\$675,007.00	-\$530,061.91	\$144,945.09
	ILEPA		\$781,924.00	\$0.00	\$781,924.00
	ILEPA		\$1,803,000.00	\$0.00	\$1,803,000.00
	ILEPA		\$2,389,000.00	\$0.00	\$2,389,000.00
	ILEPA		\$1,042,000.00	\$0.00	\$1,042,000.00
	ILEPA		\$121,277.00	-\$75,001.58	\$46,275.42
	ILEPA		\$1,220,269.00	-\$1,083,290.10	\$136,978.90
	ILEPA		\$350,000.00	-\$227,528.53	\$122,471.47
	ILEPA		\$1,681,556.00	-\$1,573,257.00	\$108,299.00
	ILEPA		\$5,890,000.00	-\$4,319,442.42	\$1,570,557.58
	ILEPA		\$73,095.00	-\$13,165.24	\$59,929.76
	ILEPA		\$750,212.00	-\$37,309.36	\$712,902.64
	ILEPA		\$71,635.00	-\$57,284.15	\$14,350.85
	ILEPA		\$25,000.00	\$0.00	\$25,000.00
	ILEPA		\$543,322.00	-\$270,955.39	\$272,366.61
	ILEPA		\$251,083.00	-\$160,699.82	\$90,383.18
	ILEPA		\$112,500.00	-\$32,221.04	\$80,278.96
	ILEPA		\$57,189.00	-\$37,750.86	\$19,438.14
Totals:			\$1,258,217,295.00	-\$653,646,155.19	\$604,571,139.81

# **EXHIBIT F**

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	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		<b>GRANT NUMBER (FAIN):</b> 00E02954	<b>DATE OF AWARD</b> 10/29/2020	
			<b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> V		
			<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 11/05/2020
			<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Research Triangle Park Finance Center		
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 <b>EIN:</b> 01-0572642			<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b> Brian Conrath 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 <b>E-Mail:</b> brian.conrath@illinois.gov <b>Phone:</b> 217-557-8155		<b>EPA PROJECT OFFICER</b> Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604-3507 <b>E-Mail:</b> lewis.bertanna@epa.gov <b>Phone:</b> 312-886-2838		<b>EPA GRANT SPECIALIST</b> Donna Stingley Assistance Section, MA-10J <b>E-Mail:</b> Stingley.Donna@epa.gov <b>Phone:</b> 312-353-1677	
<b>PROJECT TITLE AND DESCRIPTION</b> Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA)  This Cooperative Agreement funds the recipient's program to conduct Long-Term Remedial Action which includes groundwater (GW) containment and treatment, multi-phase extraction wells and treatment of the GW and soil gas, monitoring, restrictions on GW usage, and reporting at the Southeast Rockford Source Area 7 hazardous waste site, which is listed on the National Priorities List of the National Oil and Hazardous Substances Contingency Plan.					
<b>BUDGET PERIOD</b> 11/01/2020 - 10/31/2030	<b>PROJECT PERIOD</b> 11/01/2020 - 10/31/2030	<b>TOTAL BUDGET PERIOD COST</b> \$14,742,182.00	<b>TOTAL PROJECT PERIOD COST</b> \$14,742,182.00		
<b>NOTICE OF AWARD</b>					
Based on your Application dated 10/05/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$640,000. EPA agrees to cost-share 90.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$640,000. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>			
<b>ORGANIZATION / ADDRESS</b> U.S. EPA Region 5 Mail Code MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5 Superfund & Emergency Management Division, S-6J 77 West Jackson Blvd. Chicago, IL 60604-3507			
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
<b>Digital signature applied by EPA Award Official</b> William Massie - Chief, Acquisition and Assistance Branch				<b>DATE</b> 10/29/2020	

[illegible]





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Budget Summary Page

<b>Table A - Object Class Category (Non-construction)</b>	<b>Total Approved Allowable Budget Period Cost</b>
<b>1. Personnel</b>	\$189,625
<b>2. Fringe Benefits</b>	\$383,479
<b>3. Travel</b>	\$11,240
<b>4. Equipment</b>	\$0
<b>5. Supplies</b>	\$1,500
<b>6. Contractual</b>	\$13,958,388
<b>7. Construction</b>	\$0
<b>8. Other</b>	\$0
<b>9. Total Direct Charges</b>	\$14,544,232
<b>10. Indirect Costs: % Base</b> SEE TABLE B	\$197,950
<b>11. Total (Share: Recipient 10.00 % Federal 90.00 %.)</b>	\$14,742,182
<b>12. Total Approved Assistance Amount</b>	\$13,267,964
<b>13. Program Income</b>	\$0
<b>14. Total EPA Amount Awarded This Action</b>	\$640,000
<b>15. Total EPA Amount Awarded To Date</b>	\$640,000

Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA)

<b>Table B - Program Element Classification (Non-construction)</b>	<b>Total Approved Allowable Budget Period Cost</b>
<b>1. 34.54% Salary &amp; Fringe –Valid 7/1/20-6/30/21</b>	\$
<b>2.</b>	\$
<b>3.</b>	\$
<b>4.</b>	\$
<b>5.</b>	\$
<b>6.</b>	\$
<b>7.</b>	\$
<b>8.</b>	\$
<b>9.</b>	\$
<b>10.</b>	\$
<b>11. Total (Share: Recip % Fed %)</b>	\$
<b>12. Total Approved Assistance Amount</b>	\$

## **Administrative Conditions**

### **National Administrative Terms and Conditions**

#### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2020-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:

<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Donna Stingley** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): **Donna Stingley** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Donna Stingley, Grant Specialist** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov) and **Bertanna Lewis, Project Officer** at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)
- Payment requests (if applicable): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Bertanna Lewis, Project Officer** at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Bertanna Lewis, Project Officer** at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)

#### **B. Disadvantaged Business Enterprise (DBEs)**

##### **UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

#### **GENERAL COMPLIANCE, 40 CFR, Part 33**

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR, Part 33 except as described below based upon the associated class deviation.

#### **EPA MBE/WBE CERTIFICATION, 40 CFR, Part 33, Subpart B**

A class exception to the following provisions of Subpart B of 40 CFR Part 33 has been issued suspending the EPA MBE/WBE certification program: §33.204(a)(3) providing that an entity may apply to EPA MBE or WBE certification after unsuccessfully attempting to obtain certification as otherwise described in §33.204; and §33.205 through and including §33.211. The class exception was authorized pursuant to the authority in 2 CFR 1500.3(b).

#### **SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C**

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
- (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

**CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302**

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302 (a)-(d) and (i).

**BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)**

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

**FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D**

A class exception to the entire Subpart D of 40 CFR Part 33 has been authorized pursuant to the authority in 2 CFR 1500.3(b). Notwithstanding Subpart D of 40 CFR Part 33, recipients are not required to negotiate or apply fair share objectives in procurements under assistance agreements.

**MBE/WBE REPORTING- SPECIFIC CHANGES PURSUANT TO CLASS DEVIATION, 40 CFR, Part 33, Subpart E**

When required, the recipient agrees to complete and submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) on an annual basis. The current EPA Form 5700-52A can be found at the EPA Grantee Forms Page at <https://www.epa.gov/grants/epa-grantee-forms>.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the threshold amount of \$250,000, including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just that portion which exceeds \$250,000.

Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR, Part 33, Section 33.502.

### **C. Intergovernmental Review Period**

In accordance with 40 CFR Part 29, EPA must allow for an intergovernmental review comment period on this grant program. Accordingly, the Grantee may incur costs at its own risk but shall not draw down any funds associated with this award until the process is completed. This includes successful resolution of any issues identified during the comment period, which ends 11/05/2020.

### **D. Contingent Funding**

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

### **Partial Obligation**

This action approves the workplan and anticipated total budget of \$14,742,182 proposed in the application dated 10/05/2020. Federal funds obligated to date, in the amount of \$640,000, represent less than the full federal share, \$13,267,964 of the anticipated total budget. Subject to appropriations and availability of federal funds, the balance of the federal share will be awarded at a later date. Should additional federal funds not be available or reductions of obligated amounts be required, the federal and nonfederal shares as well as the approved workplan will be adjusted accordingly in a future agreement amendment.

## **Programmatic Conditions**

### **National Programmatic Terms and Conditions**

#### **A. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT**

##### **Performance Reports – Content**

In accordance with 2 CFR 200.328, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

**For State Categorical Program Grants Only:** Interim performance and final progress reports must prominently display the three Essential Elements for state work plans: 1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame.  
(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

### **Performance Reports - Frequency**

The recipient agrees to submit **annual** performance reports electronically to the EPA Project Officer within 90 days after the annual reporting period ends on **October 31, 2021**. The final project report is due within 90 days of the budget/project period end date.

1. If **quarterly or semi-annual** performance reports are required, they are to be submitted electronically to the EPA Project Officer within 30 days after the reporting period (every three- or six-month period). The reporting periods are October 1 – March 31 & April 1 – September 30\_

### **B. Cybersecurity Condition**

#### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data. (2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

### **C. Competency Policy**

#### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements,

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at

<https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf>

<https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.



#### **D. Signage Required**

The signage required T&C is available at:

[https://www.epa.gov/sites/production/files/2015-01/documents/signage\\_required\\_tc.pdf](https://www.epa.gov/sites/production/files/2015-01/documents/signage_required_tc.pdf)

##### **Signage Required Term and Condition**

###### **1. Signage Requirements**

The recipient is required to place a sign at construction sites supported under this award displaying the EPA logo in a manner that informs the public that the project is funded in part or wholly by the EPA. The sign must be placed in a visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

Recipients are required to comply with the sign specifications provided by the EPA Office of Public Affairs (OPA) available at:

<https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>

<https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>. If the EPA logo is displayed along with the logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the recipient should send a request directly to OPA and include the EPA Project Officer in the communication. Instructions for contacting OPA is available at:

<https://www.epa.gov/stylebook/using-epa-seal-and-logo>.

State agencies and agencies of political subdivisions of states must comply with 2 CFR 200.322, Procurement of recovered materials when procuring signage for projects funded by EPA assistance agreement. EPA encourages other recipients to use recycled or recovered materials when procuring signs.

Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

###### **2. Public or Media Events**

The Recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

#### **E. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

#### **F. QUALITY ASSURANCE**

## Quality Assurance System

### Scope:

Quality assurance (QA) applies to all agreements that involve environmental data operations, including environmental or scientific data and information collection, production or use. Environmental data operations include the acquisition, generation, compilation or use of environmental data and technology. These terms and conditions apply to all environmental programs included in the agreement's workplan that contain environmental data operations.

Sub-awards will include appropriate quality requirements for the work conducted through sub-agreements with other organizations. The prime recipient is accountable for all work performed on the project or program award including any portion of the external agreement work that the recipient awards to a sub-recipient.

Definitions applicable to these terms and conditions are in the following locations: EPA QA/R-2: EPA Requirements for Quality Management Plans and EPA QA R-5: EPA Requirements for Quality Assurance Project Plans, Appendix A.

Examples are included in the definitions of Environmental Data, Environmental Programs, and Environmental Technology and on the internet at: [Quality Specifications for non-EPA Organizations to do business with EPA](#) in the Example Activities Section.

Authorities, in accordance with:

- [2 CFR §1500.11;](#)
- 40 CFR 35;
- [Policy and Program Requirements for the Mandatory Agency-wide Quality System, May 2000 CIO 2105.0;](#)
- [EPA Quality Manual for Environmental Programs, May 2000 CIO 2105-P-01-0;](#)
- [EPA QA/R-2: EPA Requirements for Quality Management Plans;](#)
- [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans;](#) and
- [and as described by the Office of Grants and Debarment Quality Assurance Requirements](#)

### Communications:

The EPA Project Officer will provide the recipient with the EPA QA contact upon EPA's award issuance or upon request by recipient for pre-submittal questions and other communications regarding QA system document(s). A [list of QA managers](#) is posted on [EPA's Quality Program](#) website.

The recipient agrees to include the EPA Project Officer on all written communications with the EPA QA contact.

## QUALITY MANAGEMENT PLAN

### Quality Management Plan

The recipient shall continue to implement and adhere to the Quality Management Plan (QMP), based on the [EPA QA/R-2: EPA Requirements for Quality Management Plans](#), submitted to EPA.

February 28, 2018 Approval Date

A17-001 Version

In accordance with EPA QA/R-2 Section 2.7: Recipient must review its QMP at least annually to reconfirm the suitability and effectiveness of the approved quality management practices. QMP review results and/or revisions made must be submitted to EPA Project Officer and QA contact at least annually but may be submitted when the changes occur.

Significant changes made to the quality system that affect the performance of work for the Agency requiring the revision of an approved QMP are listed in EPA QA/R-2 Section 2.6.

## **QUALITY ASSURANCE PROJECT PLAN**

### **Quality Assurance Project Plan**

The recipient shall continue to implement and adhere to the approved Quality Assurance Project Plan (QAPP) based on the [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#), submitted to EPA.

\_\_\_\_\_ June 22, 2018 \_\_\_\_\_ Approval Date

\_\_\_\_\_ June 2016 \_\_\_\_\_ Version

Recipient must review its QAPP at least annually to reconfirm its suitability and effectiveness. QAPP review results and/or revisions made must be submitted to EPA Project Officer and QA contact at least annually but may be submitted when the changes occur.

In accordance with EPA QA/R-5 Section 2.7: When substantive change is warranted, the recipient must modify the QAPP and submit the revision for EPA approval. Only after the revision has been received and approved shall the change be implemented.

### **G. Substantial Involvement**

EPA will be substantially involved in this agreement. Substantial involvement by the EPA Project Officer may include:

- 1.) monthly telephone calls and other monitoring,
- 2.) reviewing project phases and providing approval to continue to the next phase,
- 3.) reviewing and commenting on any documents, web content, or other materials developed under this agreement (the recipient will make final decisions on these matters),
- 4.) approving substantive terms included in contracts or subawards (EPA's Project Officer will not suggest, recommend or direct the recipient to select any particular contractor or subrecipient except to the extent permitted in Section 10 of EPA's Subaward Policy).
- 5.) reviewing and commenting on the programmatic progress reports
- 6) Consultation with EPA regarding the selection of key personnel (EPA's involvement is limited to reviewing the technical qualifications of key personnel and the recipient will make the final decisions on selection. EPA's Project Officer will not suggest, recommend or direct the recipient to select any individual).
- 7.) Joint operational involvement, participation, and/or collaboration between EPA and the recipient.

### **H. General Provisions**

Region 5 awards this Cooperative Agreement in accordance with the Federal Grant and Cooperative Agreement Act of 1977 and its implementing regulations, the United States Environmental Protection and Local Governments. The Cooperative Agreement Recipient (CAR) warrants, represents, and agrees that it, and all its contractors, employees and representatives, will comply with all applicable provisions of 40 CFR Chapter 1, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of 40 CFR Part 35 Subpart O.

#### **1. Prompt Payment Act Provisions**

In accordance with 5 C.F.R. Section 1315.15, federal funds may not be used by the CAR for the payment of interest penalties to contractors when bills are paid late, nor may interest penalties be used to satisfy cost sharing requirements. Obligations to pay such interest penalties will not be

obligations of the United States.

**2. Disclaimer of Agency Relationship**

Nothing contained in this Agreement shall be construed to create, either expressly or by implication, the relationship of agency between EPA and Cooperative Agreement Recipient (CAR). Any standards, procedures, or protocol prescribed in this Agreement are to be followed by CAR during the performance of its obligations under final product of the actions contemplated by this Agreement, and do not constitute a right to control the actions of CAR. EPA (including its employees and contractors) is not authorized to represent or act on behalf of CAR in any matter relating to the subject matter of this Agreement, and CAR (including its employees and contractors) is not authorized to represent or act on behalf of EPA in any matter related to the subject matter of this Agreement. Neither EPA nor CAR shall be liable for the contracts acts, errors, or omissions or the agents, employees, or contractors, or the other party entered into, committed, or performed with respect to or in the performance of, this Agreement.

**I. Programmatic Terms and Conditions:**

1. **Authority:** All activities conducted under this Cooperative Agreement shall be consistent with the revised National Contingency Plan (NCP), 40 CFR 300, dated December 23, 1988, (53 Federal Register 51962).

The CAR acknowledges that this Cooperative Agreement has been entered into pursuant to the following authorities and the CAR agrees to comply with the applicable requirements contained in such authorities:

- (a) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., as amended "CERCLA").
- (b) 31 U.S.C. Section 6301 et seq.

2. **Permits and Approvals:** CAR agrees to satisfy all federal, state, and local requirements, including permits and approvals, necessary for implementing activities addressed in this Cooperative Agreement.

3. **Amendments:** Any change in this Cooperative Agreement must be agreed to by both parties in writing.

4. **Budget:** In accordance with 2CFR 200, the CAR agrees that it will notify EPA of problems, delays, or adverse conditions which materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan

5. **Confidentiality of Documents:** The CAR will make best efforts to retain information generated under this award and designated as confidential by EPA as confidential under applicable state law. EPA will make best efforts to retain information under this award and designated as confidential by the CAR as confidential under applicable federal law. If the CAR and/or EPA cannot retain these documents as confidential, they should inform the other party so that other arrangements relating to this work can be made.

6. **Health and Safety Plan:** Before beginning field work, the CAR must have a health and safety plan in place providing for the protection of on-site personnel and area residents. This plan need not be submitted to EPA, but must be made available to EPA upon request. The CAR's health and safety plan must comply with Occupational Safety and Health Administration (OSHA) 29 CFR 1910.120, entitled "Hazardous Waste Operations and Emergency Response."

7. **Quality Assurance:** The CAR must comply with the quality assurance requirements described in 2 CFR 200. The CAR must have an EPA approved non-site-specific quality assurance plan in place before beginning field work. The CAR must submit the plan to EPA in adequate time (generally 45 days) for approval to be granted before beginning field work. The quality

assurance plan must comply with the requirements regarding split sampling described in section 104(e)(4)(B) of CERCLA, as amended.

8. **Site Access:** To the extent allowable under state law, CAR will provide access to the sites, as well as all right-of-way and easements necessary to complete the response actions. STATE will provide access to EPA employees and contractors at all reasonable times to the extent allowable under state law. "As provided in CERCLA Section 104(e)(1), the Cooperative Agreement Recipient (CAR) is authorized under this Cooperative Agreement to take actions under CERCLA Sections 104(e)(3) and 104(e)(4), as amended, for entry, inspection and sampling. These authorities may be exercised only if there is a reasonable basis to believe there may be a release or threat of release of a hazardous substance or pollutant or contaminant. These authorities may be exercised only for the purposes of determining the need for response, or choosing or taking any response actions under CERCLA or enforcing the provisions of CERCLA" cleanup), the CAR shall consult with EPA regarding potential applicability of the National Historic Preservation Act and, if applicable, shall assist EPA in complying with any requirements of the Act and implementing regulations.

10. **Electronic Copies of Reports and Attachments:** The CAR is responsible for providing a transferrable electronic copy of the draft report and the approved final report, inclusive of attachments. This is to facilitate public accessibility of this information from our Superfund Documents Management System. Electronic copies may be provided via EPA's Environmental Science Connector or on CD.

11. **10 Year Term:** The Cooperative Agreement (CA) is intended to cover a 10 year time frame and an estimated 10 year funding amount unless an existing CA has been extended. The work plan approved to date contains work for the project period of **November 1, 2020 to October 31, 2030.**

12. **Semi-Annual Reporting:** Semi-Annual technical performance reports must be submitted within 30 days following the end of each six month period. A final technical performance report must be submitted 90 days after then of the budget and project periods. All technical performance reports must be submitted to the EPA Project Officer.

**Environmental Results – Recipient Performance Reporting:** As stated in the Government Performance Results Act (EPA Order 5700.7). The CAR is responsible for reporting outcomes and results accomplished as a part of this cooperative agreement.

**Reporting requirements are specified in 2CFR 200.** Each report submitted by the CAR will contain the following:

- An explanation of work accomplished (outputs and outcomes) established in the reporting period,
- Reasons, if any, why anticipated outputs/outputs were not met and a description of the corrective measures which are planned.
- A comparison of the percentage of the project completed to the project schedule, and an explanation of significant discrepancies.
- A comparison of the estimated funds spent to date to the planned aggregated expenditures and an explanation of significant discrepancies.
- An estimate of the time and funds needed to complete the work required in the cooperative agreement, a comparison of that estimate to the time and funds remaining, and justification for any increase.
- Other pertinent information, including, when appropriate, analysis and explanations of cost overruns or high unit costs.

#### **J. Electronic And Information Technology Accessibility**

Recipients and sub-recipients are subject to the program accessibility provisions of Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7, which includes an obligation to provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology ("EIT"). In

compliance with Section 504, EIT systems or products funded by this award must be designed to meet the diverse needs of users (e.g., U.S. public, recipient personnel) without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology. At this time, the EPA will consider a recipient's websites, interactive tools, and other EIT as being in compliance with Section 504 if such technologies 1194. While Section 508 does not apply directly to grant recipients, we encourage recipients to follow either the 508 guidelines or other comparable guidelines that concern accessibility to EIT for individuals with disabilities. Recipients may wish to consult the latest Section 508 guidelines issued by the US Access Board or W3C's Web Content Accessibility Guidelines (WCAG) 2.0 (see <http://www.access-board.gov/sec508/guide/index.htm>).

#### **K. Overpayments**

Overpayments by the recipient (State) will not be reimbursed but State may request credit by submitting a credit claim to EPA. The credit work is limited to the State's site-specific expenses that U.S. EPA determines to be reasonable, documented, direct, out-of-pocket expenditures of non-Federal funds for remedial action as defined in CERCLA section 101(24) that are consistent with a permanent remedy at the site. Excess credit will not be reimbursed, but excess credit may be applied to the State's cost share at another operable unit or another site pursuant to a State Superfund Contract.

#### **L. Community Relations**

The recipient must comply with the community relations requirements described in EPA policy and guidance, and in the National Contingency Plan (40 CFR § 300.155 – Public information and community relations).

#### **M. Accounting requirements**

The recipient's system must track expenses by site, activity, and, operable unit, as applicable, according to object class. The system must also provide control, accountability, and an assurance that funds, property, and other assets are used only for their authorized purposes. The recipient must allow an EPA review of the adequacy of the financial management system as described in 2 CFR § 200.302. The recipient's systems must comply with the appropriate allowable cost principles described in 2 CFR part 200 Subpart E—Cost Principles. The accounting system must use actual costs as the basis of all reports of direct site charges.

#### **N. Third-Party Benefits**

This Agreement is intended to benefit only the recipient and the EPA. It extends no benefit or rights to any part not a signatory to this Agreement. In addition, EPA does not assume any rights to third parties with respect to losses due to bodily injury or property damages that exceed the limitations contained in the provisions of 28 U.S.C. Section 1346(b), 2671-2680. To the extent permitted by State law, the recipient does not assume liability to any third parties with respect to losses due to bodily injury or property damage.

#### **O. CERCLA Assurances and Other Requirements**

##### **1. Cost Share**

Per 40 CFR § 35.6285, the State may pay for the following share of response costs using cash, credit, in-kind/ donated services. Tribes are not required to provide cost share per CERCLA § 104(c)(3)(C)(ii). Documented excess credit cannot be reimbursed to the State but may be used to satisfy cost share requirements at another site. In-kind services/donations are not credit and cannot be reimbursed to the State nor used to satisfy cost share requirements at another site.



The recipient assures cost sharing as follows:

This Site was not operated by the State or political subdivision thereof, either directly or through a contractual relationship or otherwise, at the time of any disposal of hazardous substances at the facility. Therefore, the State's cost share for the and long-term response action" provided under this Cooperative Agreement is 10 percent of the total costs of the remedial action.

## **2. Waste Capacity**

The recipient recognizes EPA's expectation that there will be adequate national hazardous treatment and disposal capacity during the 20-year period following signature of this cooperative agreement pursuant to CERCLA §104(c)(9).

EPA's 2019 National Capacity Assessment shows that there is adequate national capacity for the treatment and disposal of hazardous waste through calendar year 2044. This assessment included data provided by the State for the 2017 National Biennial RCRA Hazardous Waste Report.

## **3. Out-of-state waste transfer**

The state or tribe must provide written notification of off-site shipments of CERCLA waste from a site to an out-of-State or out-of-an-Indian-Tribal-area-of-Indian-country waste management facility to: (1) The appropriate State environmental official for the State in which the waste management facility is located; and/or (2) An appropriate official of an Indian Tribe in whose area of Indian country the waste management facility is located; and (3) The EPA Award Official.

## **4. Off-site disposal**

If off-site storage, destruction, treatment, or disposal is required, the State must assure the availability of a hazardous waste disposal facility that complies subtitle C of the Solid Waste Disposal Act and is acceptable to EPA. The lead agency of the State must provide the notification required at 40 CFR §35.6120, if applicable.

## **5. Operational and Functional**

The completion of the joint State/EPA pre-final inspection marks the point in time when construction of each remedial action is considered complete for purposes of this Cooperative Agreement. It is used to document the beginning of the up to one-year O&F period. Consistent with 40 CFR 300.435(f)(2), the "remedy becomes operational and functional (O&F) either one year after construction is complete, or when the remedy is determined concurrently by EPA and the State to be functioning properly and performing as designed, whichever is earlier." The State will schedule and conduct a joint State/EPA final inspection within one year of the completion of the joint State/EPA pre-final inspection. The completion date of the State/EPA final inspection, assuming it is done within one year of the pre-final inspection, will be used as the date of the O&F determination. In the event that the joint State/EPA inspection and does not occur within one year, the NCP (40 CFR § 300.435(f)) provides EPA the discretion to make an O&F determination without this inspection. As discussed in §300.435(f)(2) of the NCP, "EPA may grant extensions to the one-year O&F period, as appropriate." When the O&F determination has been made, EPA will provide written notification to the State documenting the O&F determination. Since the O&F time period is part of the remedial action, the State cost share is applicable.

In accordance with 40 CFR §300.435(f)(1), the O&F determination results in the transfer of each remedial action to the State for O&M or initiation of the long-term response action (LTRA), as described in the Ground and Surface Water Restoration Provision.

The State and its contractor will prepare the Remedial Action Report once each remedial action is O&F. EPA will have the opportunity to comment on the Remedial Action Report. After EPA approves the Remedial Action Report, EPA will provide a copy to the State.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	<b>GRANT NUMBER (FAIN):</b> 00E02954 <b>MODIFICATION NUMBER:</b> 1 <b>PROGRAM CODE:</b> V		<b>DATE OF AWARD</b> 04/22/2021
		<b>TYPE OF ACTION</b> Augmentation: Increase		<b>MAILING DATE</b> 04/29/2021
		<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
		<b>RECIPIENT TYPE:</b> State		
<b>RECIPIENT:</b> IL EPA - Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b> Brian Conrath 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 E-Mail: brian.conrath@illinois.gov Phone: 217-557-8155		<b>EPA PROJECT OFFICER</b> Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604-3507 E-Mail: Lewis.Bertanna@epa.gov Phone: 312-886-2838		<b>EPA GRANT SPECIALIST</b> Donna Stingley Assistance Section, MA-10J E-Mail: Stingley.Donna@epa.gov Phone: 312-353-1677
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA)  This Cooperative Agreement allows the Recipient program to conduct Long-Term Remedial Action, which includes groundwater (GW) containment and treatment, multi-phase extraction wells and treatment of the GW and soil gas, monitoring, restrictions on GW usage, and reporting at the Southeast Rockford Source Area 7 hazardous waste site, which is listed on the National Priorities List of the National Oil and Hazardous Substances Contingency Plan.  Incremental Amendment;  This Incremental amendment obligates Federal funding in the amount of \$832,500. These funds will support the continuance of the Illinois Environmental Protection Agency workplan activities in accordance with CERCLA Sec.104(d)(1) guidelines. The remaining funding is contingent upon availability of funds.  Page 2 of this award shows a \$1.00 decrease to Recipient Contribution and a \$1.00 increase to State Contribution, thus canceling one another. This is a temporary work-around solution as EPA implements a new national system.				
<b>BUDGET PERIOD</b> 11/01/2020 - 10/31/2030	<b>PROJECT PERIOD</b> 11/01/2020 - 10/31/2030	<b>TOTAL BUDGET PERIOD COST</b> \$14,742,182.00	<b>TOTAL PROJECT PERIOD COST</b> \$14,742,182.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 10/19/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$832,500 EPA agrees to cost-share 90.01 of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,472,500.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b> U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> EPA R5, Superfund Emergency Management Division, S-6J R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507		
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
Digital signature applied by EPA Award Official William Massie - Chief, Acquisition and Assistance Branch				<b>DATE</b> 04/22/2021

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$640,000	\$832,500	\$1,472,500
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$1,474,218	(\$1)	\$1,474,217
State Contribution	\$0	\$1	\$1
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$2,114,218	\$832,500	\$2,946,718

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Sec. 104(d)(1)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$189,625
2. Fringe Benefits	\$383,479
3. Travel	\$11,240
4. Equipment	\$0
5. Supplies	\$1,500
6. Contractual	\$13,958,388
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$14,544,232
10. Indirect Costs: 0.00 % Base	\$197,950
11. Total (Share: Recipient <u>9.99</u> % Federal <u>90.01</u> %)	\$14,742,182
12. Total Approved Assistance Amount	\$13,267,964
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$832,500
15. Total EPA Amount Awarded To Date	\$1,472,500

SUMMARY OF INDIRECT COST RATES

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 34.54% Salary and Fringe--Valid 07/1/20-06/30/21	\$0
2.	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

THE FOLLOWING ADMINISTRATIVE TERMS AND CONDITIONS HAVE BEEN UPDATED AS FOLLOWS:

### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-november-12-2020-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.


### **D. Contingent Funding**

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The Total Approved Assistance Amount identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement. All Other Previously Administrative Conditions Remain the Same

**Programmatic Conditions**

**All Previous Cited Programmatic Terms and Conditions Remain the Same**



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	GRANT NUMBER (FAIN): 00E02954	DATE OF AWARD
		MODIFICATION NUMBER: 2	12/01/2021
		PROGRAM CODE: V	MAILING DATE
		TYPE OF ACTION Augmentation: Increase	12/08/2021
RECIPIENT TYPE: State		SEND PAYMENT REQUEST TO: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST	
Brian Conrath 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 E-Mail: brian.conrath@illinois.gov Phone: 217-557-8155	Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604-3507 E-Mail: Lewis.Bertanna@epa.gov Phone: 312-886-2838	Donna Stingley Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604 E-Mail: Stingley.Donna@epa.gov Phone: 312-353-1677	
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA)  This Cooperative Agreement allows the Recipient's program to conduct Long-Term Remedial Action which includes groundwater (GW) containment and treatment, multi-phase extraction wells and treatment of the GW and soil gas, monitoring, restrictions on GW usage, and reporting at the Southeast Rockford Source Area 7 hazardous waste site, which is listed on the National Priorities List of the National Oil and Hazardous Substances Contingency Plan.  Incremental Amendment  This Incremental Amendment obligates Federal funding in the amount of \$1,472,500. These funds will support the continuance of the Illinois Environmental Protection Agency workplan activities in accordance with Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Sec.104(d)(1) guidelines. The remaining funding is contingent upon availability of funds.			
BUDGET PERIOD 11/01/2020 - 10/31/2030	PROJECT PERIOD 11/01/2020 - 10/31/2030	TOTAL BUDGET PERIOD COST \$14,742,182.00	TOTAL PROJECT PERIOD COST \$14,742,182.00
<b>NOTICE OF AWARD</b>  Based on your Application dated 10/05/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,472,500.00. EPA agrees to cost-share 90.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,945,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Superfund Emergency Management Division, S-6J R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official for Amy Sanders - Director, Mission Support Division Bruce Syniewski - Deputy Director, Mission Support Division			DATE 12/01/2021

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$1,472,500	\$1,472,500	\$2,945,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$1,474,218	\$0	\$1,474,218
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$2,946,718	\$1,472,500	\$4,419,218

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Sec. 104(d)(1)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$189,625
2. Fringe Benefits	\$383,479
3. Travel	\$11,240
4. Equipment	\$0
5. Supplies	\$1,500
6. Contractual	\$13,958,388
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$14,544,232
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$197,950
11. Total (Share: Recipient <u>10.00</u> % Federal <u>90.00</u> %)	\$14,742,182
12. Total Approved Assistance Amount	\$13,267,964
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,472,500
15. Total EPA Amount Awarded To Date	\$2,945,000

SUMMARY OF INDIRECT COST RATES

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 34.54% Salary and Fringe—Valid 07/1/20-06/30/21	\$0
2. 32.80% Salary and Fringe—Valid 07/1/21-06/30/22	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

### **THE FOLLOWING ADMINISTRATIVE TERMS AND CONDITIONS HAVE BEEN UPDATED AS FOLLOWS:**

#### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.


#### **D. Contingent Funding**

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The Total Approved Assistance Amount identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

#### **All Other Previously Cited Administrative Conditions Remain the Same**

**Programmatic Conditions**

**All Previously Cited Programmatic Terms and Conditions Remain the Same**

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	GRANT NUMBER (FAIN): 00E02954	DATE OF AWARD
		MODIFICATION NUMBER: 3	03/29/2023
		PROGRAM CODE: V	MAILING DATE
		TYPE OF ACTION Augmentation: Increase	04/03/2023
RECIPIENT TYPE: State		PAYMENT METHOD: ASAP	
RECIPIENT: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		ACH# 50183	
Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		PAYEE: Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST	
Brian Conrath 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 Email: brian.conrath@illinois.gov Phone: 217-557-8155	Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604-3507 Email: Lewis.Bertanna@epa.gov Phone: 312-886-2838	Donna Stingley Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604 Email: Stingley.Donna@epa.gov Phone: 312-353-1677	
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA)  This Cooperative Agreement includes BIL funds in the amount of \$1,334,357 and special account funds in the amount of \$138,143. Activities include conducting Long-Term Remedial Action which includes groundwater (GW) containment and treatment, multi-phase extraction wells and treatment of the GW and soil gas, monitoring, restrictions on GW usage, and reporting at the Southeast Rockford Source Area 7 hazardous waste site, which is listed on the National Priorities List of the National Oil and Hazardous Substances Contingency Plan.  Incremental Amendment This Incremental Amendment obligates Federal funding in the amount of \$1,472,500. These funds will support the continuance of the Illinois Environmental Protection Agency workplan activities in accordance with Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Sec.104(d)(1) guidelines. The remaining funding is contingent upon availability of funds.			
BUDGET PERIOD 11/01/2020 - 10/31/2030	PROJECT PERIOD 11/01/2020 - 10/31/2030	TOTAL BUDGET PERIOD COST \$14,742,182.00	TOTAL PROJECT PERIOD COST \$14,742,182.00
<b>NOTICE OF AWARD</b>  Based on your Application dated 10/05/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,472,500.00. EPA agrees to cost-share 90.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$4,417,500.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		U.S. EPA, Region 5, Superfund Emergency Management Division, S-6J R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official for William Massie Digital signature applied by EPA Award Official Tijuana Dessausure-Decoster			DATE 03/29/2023



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$2,945,000	\$1,472,500	\$4,417,500
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$1,474,218	\$0	\$1,474,218
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$4,419,218	\$1,472,500	\$5,891,718

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Sec. 104(d)(1)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$189,625
2. Fringe Benefits	\$383,479
3. Travel	\$11,240
4. Equipment	\$0
5. Supplies	\$1,500
6. Contractual	\$13,958,388
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$14,544,232
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$197,950
11. Total (Share: Recipient <u>10.00</u> % Federal <u>90.00</u> %)	\$14,742,182
12. Total Approved Assistance Amount	\$13,267,964
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,472,500
15. Total EPA Amount Awarded To Date	\$4,417,500

SUMMARY OF INDIRECT COST RATES

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 34.54% Salary and Fringe--Valid 07/1/20-06/30/21	\$0
2. 32.80% Salary and Fringe--Valid 07/1/21-06/30/22	\$0
3. 31.78% Salary and Fringe--Valid 07/1/22-06/30/23	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

THE FOLLOWING ADMINISTRATIVE TERM(S) AND CONDITION(S) HAS/HAVE BEEN UPDATED AS FOLLOWS:

### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:


- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **Donna Stingley, Grant Specialist** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): **Karen Sykes** at [sykes.karen@epa.gov](mailto:sykes.karen@epa.gov) and [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Donna Stingley, Grant Specialist** at [stingley.donna@epa.gov](mailto:stingley.donna@epa.gov) and **Bertanna Lewis, Project Officer** at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports, and deliverables: **Bertanna Lewis, Project Officer** at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)

**All Other Previously Cited Administrative Terms & Conditions Remain the Same.**

## **Programmatic Conditions**

**All Previously Cited Programmatic Terms and Conditions Remain the Same.**

V - 00E02954 - 4 Page 1

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	GRANT NUMBER (FAIN): 00E02954	DATE OF AWARD 08/25/2024
		MODIFICATION NUMBER: 4	MAILING DATE 08/28/2024
		PROGRAM CODE: V	ACH# 50183
		TYPE OF ACTION Augmentation: Increase	
<b>RECIPIENT TYPE:</b> State		<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov	
<b>RECIPIENT:</b> ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642		<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
<b>PROJECT MANAGER</b> Brian Conrath 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 Email: brian.conrath@illinois.gov Phone: 217-557-8155		<b>EPA PROJECT OFFICER</b> Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604-3507 Email: Lewis.Bertanna@epa.gov Phone: 312-886-2838	<b>EPA GRANT SPECIALIST</b> Donna Stingley Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604-3507 Email: Stingley.Donna@epa.gov Phone: 312-353-1677
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Southeast Rockford Source Area 7 Long-Term Remedial Action (LTRA) <p>This Cooperative Agreement funds the Recipients program to conduct Long-Term Remedial Action which includes groundwater (GW) containment and treatment, multi-phase extraction wells and treatment of the GW and soil gas, monitoring, restrictions on GW usage, and reporting at the Southeast Rockford Source Area 7 hazardous waste site, which is listed on the National Priorities List of the National Oil and Hazardous Substances Contingency Plan.</p> <p>Incremental Amendment  This Incremental amendment obligates Federal funding in the amount of \$1,472,500. These funds will support the continuance of the Illinois Environmental Protection Agency Workplan activities in accordance with CERCLA guidelines. The remaining funding is contingent upon availability of funds.</p>			
<b>BUDGET PERIOD</b> 11/01/2020 - 10/31/2030	<b>PROJECT PERIOD</b> 11/01/2020 - 10/31/2030	<b>TOTAL BUDGET PERIOD COST</b> \$ 14,742,182.00	<b>TOTAL PROJECT PERIOD COST</b> \$ 14,742,182.00
<b>NOTICE OF AWARD</b> <p>Based on your Application dated 10/05/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 1,472,500.00. EPA agrees to cost-share 90.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 5,890,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507		<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 5, Superfund Emergency Management Division, S-6J R5 - Region 5 77 West Jackson Blvd. Chicago, IL 60604-3507	
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Digital signature applied by EPA Award Official for Sheila Dolan - Branch Supervisor by Karen Sykes - Award Official Delegate			<b>DATE</b> 08/25/2024

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 4,417,500	\$ 1,472,500	\$ 5,890,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 1,474,218	\$ 0	\$ 1,474,218
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 5,891,718	\$ 1,472,500	\$ 7,364,218

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Sec. 104(d)(1)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
05DKLR03	245ASEX019	22	TSD	5AF1R	000DD2	4185	05DKLR03	C002	\$ 1,472,500
									\$ 1,472,500

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 189,625
2. Fringe Benefits	\$ 383,479
3. Travel	\$ 11,240
4. Equipment	\$ 0
5. Supplies	\$ 1,500
6. Contractual	\$ 13,958,388
7. Construction	\$ 0
8. Other	\$ 0
9. Total Direct Charges	\$ 14,544,232
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$ 197,950
11. Total (Share: Recipient <u>10.00</u> % Federal <u>90.00</u> %)	\$ 14,742,182
12. Total Approved Assistance Amount	\$ 13,267,964
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 1,472,500
15. Total EPA Amount Awarded To Date	\$ 5,890,000



## SUMMARY OF INDIRECT COST RATES

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. 34.54% Salary and Fringe—Valid 07/1/20-06/30/21	\$ 0
2. 32.80% Salary and Fringe—Valid 07/1/21-06/30/22	\$ 0
3. 31.78% Salary and Fringe—Valid 07/1/22-06/30/23	\$ 0
4. 31.78% Salary and Fringe—Valid 07/1/22-06/30/23	\$ 0
5. 42.12% Salary and Fringe—Valid 07/1/23-06/30/24	\$ 0
6.	\$ 0
7.	\$ 0
8.	\$ 0
9.	\$ 0
10.	\$ 0
11. Total (Share: Recip % Fed %)	\$ 0
12. Total Approved Assistance Amount	\$ 0

## **Administrative Conditions**

**THE FOLLOWING ADMINISTRATIVE TERM(S) AND CONDITION(S) HAS/HAVE BEEN UPDATED AS FOLLOWS:**

### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.


The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

**All Other Previously Cited Administrative Terms & Conditions Remain the Same.**

## **Programmatic Conditions**

**All Previously Cited Programmatic Terms and Conditions Remain the Same.**

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>		<b>GRANT NUMBER (FAIN):</b> 00E03406 <b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> V		<b>DATE OF AWARD</b> 05/05/2023
			<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 05/10/2023
			<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 50183
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov		
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276		
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>	
Brian Conrath 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Brian.Conrath@illinois.gov Phone: 217-557-8155		Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604 Email: lewis.bertanna@epa.gov Phone: 312-886-2838		Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604 Email: young.robert@epa.gov Phone: 312-886-6128	
<b>PROJECT TITLE AND DESCRIPTION</b> SE Rockford Area 11 RD  This agreement funds the recipient's program to conduct remedial design activities at the SE Rockford Area 11 hazardous waste site, which is listed on the National Priorities List (NPL) of the National Oil and Hazardous Substances Contingency Plan. The activities to be performed include the following site-specific actions: Surveying, excavation and concrete removal, subsurface investigation, modified active gas sampling, and air sparging. Anticipated outcomes, expected deliverables are a final remedy decision to be made for the source area. Intended beneficiaries include Illinois residents. No subawards are included in this assistance agreement.					
<b>BUDGET PERIOD</b> 05/01/2023 - 12/31/2025		<b>PROJECT PERIOD</b> 05/01/2023 - 12/31/2025		<b>TOTAL BUDGET PERIOD COST</b> \$750,212.00	
				<b>TOTAL PROJECT PERIOD COST</b> \$750,212.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 03/16/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$200,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$200,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>		
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Superfund and Emergency Management Division R5 - Region 5 77 West Jackson Blvd., S-6J Chicago, IL 60604		
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
Digital signature applied by EPA Award Official for William Massie Digital signature applied by EPA Award Official Tijuanna Dessausure-Decoster					<b>DATE</b> 05/05/2023

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$200,000	\$200,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$200,000	\$200,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Secs. 104(d)(1) & 104(c)(3)(C)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$13,642
2. Fringe Benefits	\$11,868
3. Travel	\$1,173
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$712,544
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$739,227
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$10,985
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$750,212
12. Total Approved Assistance Amount	\$750,212
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$200,000
15. Total EPA Amount Awarded To Date	\$200,000

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Direct salaries and wages including applicable divisional fringe benefits at 43.06% valid 7/1/22 to 6/30/23	\$0
2.	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:  
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:  
<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and [young.robert@epa.gov](mailto:young.robert@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [region5closeouts@epa.gov](mailto:region5closeouts@epa.gov) and **Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **Bertanna Lewis at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov) and Robert Young at [young.robert@epa.gov](mailto:young.robert@epa.gov)**
- Payment requests (if applicable): **Bertanna Lewis at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **Bertanna Lewis at [lewis.bertanna@epa.gov](mailto:lewis.bertanna@epa.gov)**

### **B. Contingent Funding**

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

## **Programmatic Conditions**

### **Superfund Remedial Response Cooperative Agreement Terms and Conditions**

#### **A. Health and Safety Plan**



Before beginning field work, the recipient must have a health and safety plan in place providing for the protection of on-site personnel and area residents, unless specifically waived by the award official. This plan need not be submitted to EPA but must be made available to EPA upon request. The recipient's health and safety plan must comply with Occupational Safety and Health Administration (OSHA) 29CFR § 1910.120, entitled "Hazardous Waste Operations and Emergency Response."

## **B. Quality Assurance**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Management Plan (QMP)**

a. Prior to beginning environmental information operations, the recipient must:

- i. Submit a previously EPA-approved and current QMP,
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP within 60 days after grant award.

c. The recipient must review their approved QMP at least annually. These documented reviews shall be made available to the sponsoring EPA organization if requested. When necessary, the recipient shall revise its QMP to incorporate minor changes and notify the EPA PO and QAM of the changes. If significant changes have been made to the Quality Program that affect the performance of environmental information operations, it may be necessary to re-submit the entire QMP for re-approval. In general, a copy of any QMP revision(s) made during the year should be submitted to the EPA PO and QAM in writing when such changes occur. Conditions requiring the revision and resubmittal of an approved QMP can be found in section 6 of EPA's [Quality Management Plan \(QMP\) Standard](#).

### **2. Quality Assurance Project Plan (QAPP)**

a. Prior to beginning environmental information operations, the recipient must:

- i. Provide EPA a copy of the recipient-approved QAPP if the recipient has an EPA-approved Quality Management Plan and a current EPA delegation to review and approve QAPPs.

b. The recipient must submit the QAPP no more than 180 days after grant award.

c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. EPA may require the QAPP be updated and re-submitted for approval.

## **For Reference:**

- [Quality Management Plan \(QMP\) Standard](#) and [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#), Appendix C provides a QAPP Checklist.
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Non-EPA Organizations Quality Specifications](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

### **C. Community Relations**

The recipient must comply with the community relations requirements described in EPA policy and guidance, and in the National Contingency Plan (40 CFR § 300.155 – Public information and community relations).

### **D. Accounting requirements**

The recipient's system must track expenses by site, activity, and, operable unit, as applicable, according to object class. The system must also provide control, accountability, and an assurance that funds, property, and other assets are used only for their authorized purposes. The recipient must allow an EPA review of the adequacy of the financial management system as described in 2 CFR § 200.302. The recipient's systems must comply with the appropriate allowable cost principles described in 2 CFR part 200 Subpart E—Cost Principles. The accounting system must use actual costs as the basis of all reports of direct site charges.

### **E. Reports**

#### **1. Progress**

Recipient agrees to provide the following progress reports:

Semi-Annual progress reports and a final progress report on all activities identified in the workplan in accordance with 40 CFR 35.6650. These reports will contain at a minimum:

- a) an explanation of work accomplished during the reporting period, delays, or other problems, if any, and a description of the corrective measures that are planned. The recipient agrees to inform the EPA Project Officer as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.
- b) a comparison of the percentage of the project completed to the project schedule, and an explanation of significant discrepancies.
- c) a comparison of the estimated funds spent to date to planned expenditures and an explanation

of significant discrepancies per task. The semi-annually progress reports shall be due within 60 days of the reporting period; the final progress report is due 90 days after the expiration or termination of the cooperative agreement. The progress reports are to be submitted electronically to the EPA Project Officer via e-mail.

d) Reporting Periods: the reporting periods shall be defined according to the federal fiscal cycle.

Semi-annual reports shall cover the periods:

October 1 – March 31

April 1 – September 30

The first report shall cover the period from the start date of the award to the end of the first reporting cycle.

## 2. Inventory

### a. CERCLA-funded property.

(1) Content. The report must contain the following information:

(a) Classification and value of remaining supplies.

(b) Description of all equipment purchased with CERCLA funds, including its current condition.

(c) Verification of the current use and continued need for the equipment by site, activity,

and operable unit, as applicable.

(d) Notification of any property which has been stolen or vandalized.

(e) A request for disposition instructions for any equipment no longer needed on the project.

(2) Reporting frequency. The recipient must submit an inventory report to EPA at the following

times:

(a) Within 90 days after completing any CERCLA-funded project or any response activity at a site.

(b) When the equipment is no longer needed for any CERCLA-funded project or any response activity at a site.

### b. Federally owned property.

(1) Content. The recipient must include the following information for each federally owned item in the inventory report:

- (a) Description.
- (b) Decal number.
- (c) Current condition.
- (d) Request for disposition instructions.

(2) Reporting frequency. The recipient must submit an inventory report to the appropriate EPA property accountable officer at the following times:

- (a) Annually, due to EPA on the anniversary date of the award.
- (b) When the property is no longer needed.
- (c) Within 90 days after the end of the project period.

## **F. Cybersecurity**

### **State Grant Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

## **G. Closeout**

In addition to Agency requirements, closeout of a Cooperative Agreement, or an activity under a Cooperative Agreement, can take place in the following situations:

1. After the completion of all work for a response activity at a site.
2. After all activities under a Cooperative Agreement have been completed.
3. Upon termination of the Cooperative Agreement.

The recipient must comply with the closeout requirements described in 2 CFR § 200.344 and §200.345. After closeout, EPA may monitor the recipients' compliance required by CERCLA §104(c) and addressed in 40 CFR § 300.510(c)(1) of the NCP.

#### **H. Third-Party Benefits**

This Agreement is intended to benefit only the recipient and the EPA. It extends no benefit or rights to any part not a signatory to this Agreement. In addition, EPA does not assume any rights to third parties with respect to losses due to bodily injury or property damages that exceed the limitations contained in the provisions of 28 U.S.C. Section 1346(b), 2671-2680. To the extent permitted by State law, the recipient does not assume liability to any third parties with respect to losses due to bodily injury or property damage.

#### **I. Records Management**

##### **1. Project records**

The lead agency for the response action must compile and maintain an administrative record consistent with CERCLA § 113, the National Contingency Plan, and relevant EPA policy and guidance. In addition, recipients of assistance (whether lead or support agency) are responsible for maintaining project files described as follows. The recipient must maintain project records by site, activity, and operable unit, as applicable.

a. Financial records. The recipient must maintain records which support the following items:

- (1) Amount of funds received and expended; and
- (2) Direct and indirect project cost.

b. Property records. The recipient must maintain records which support the following items:

- (1) Description of the property;
- (2) Manufacturer's serial number, model number, or other identification number;
- (3) Source of the property, including the assistance identification number;
- (4) Information regarding whether the title is vested in the recipient or EPA;
- (5) Unit acquisition date and cost;
- (6) Percentage of EPA's interest;
- (7) Location, use and condition (by site, activity, and operable unit, as applicable) and the date this information was recorded; and

(8) Ultimate disposition data, including the sales price or the method used to determine the price, or the method used to determine the value of EPA's interest for which the recipient compensates EPA in accordance with section J7.

c. Procurement records.

(1) General. The recipient must maintain records which support the following items and must make them available to the public:

(i) The reasons for rejecting any or all bids; and

(ii) The justification for a procurement made on a noncompetitively negotiated basis.

(2) Procurements in excess of the simplified acquisition threshold. The recipient's records and files for procurements in excess of the simplified acquisition threshold must include the following information:

(i) The basis for contractor selection;

(ii) A written justification for selecting the procurement method;

(iii) A written justification for use of any specification which does not provide for maximum free and open competition;

(iv) A written justification for the choice of contract type; and

(v) The basis for award cost or price, including a copy of the cost or price analysis made in accordance with 40 CFR §35.6585 and documentation of negotiations.

d. Other records. The recipient must maintain records which support the following items:

(1) Time and attendance records and supporting documentation;

(2) Documentation of compliance with statutes and regulations that apply to the project.

2. Retention

a. This requirement applies to all financial and programmatic records, supporting documents, statistical records, and other records which are required to be maintained by the terms, program regulations, or the Cooperative Agreement, or are otherwise reasonably considered as pertinent to program regulations or the Cooperative Agreement.

b. Length of retention period. The recipient must maintain all records for 10 years following submission of the final Financial Status Report unless otherwise directed by the EPA award official and must obtain written approval from the EPA award official before destroying any records. If any litigation, claim, negotiation, audit, cost recovery, or other action involving the records has been started before the expiration of the ten-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular ten-year period, whichever is later.

c. Substitution of an unalterable electronic format. An unalterable electronic format, acceptable to EPA, may be substituted for the original records. The copying of any unalterable electronic format must be performed in accordance with the technical regulations concerning Federal Government records (36 CFR parts 1220 through 1234) and EPA records management requirements.

d. Starting date of retention period. The recipient must comply with the requirements regarding the starting dates for records retention described in 2 CFR §1500.7.

### 3. Access

a. The recipient must comply with the requirements regarding records access described in 2 CFR§ 200.337.

b. Availability of records. The recipient must, with the exception of certain policy, deliberative, and enforcement documents which may be held confidential, ensure that all files are available to the public.

c. Contractor requirements. The recipient must require its contractor to comply with the requirements regarding records access described in 2 CFR § 200.337.

## J. Property Requirements

### 1. General Acquisition and Use Requirements

The recipient must acquire the property during the approved project period. The recipient must:

a. Charge property costs by site, activity, and operable unit, as applicable.

b. Document the use of the property by site, activity, and operable unit, as applicable

Solicit and follow EPA's instructions on the disposal of any property (see section J7)

### 2. Supplies and Equipment

The recipient must agree to comply with the requirements in the sections below.

### 3. Alternative Methods for Obtaining Property

a. Purchase equipment with recipient funds. The recipient may purchase equipment with the recipient's own funds and may charge EPA a fee for using equipment on a CERCLA-funded project. The fee must be based on a usage rate, subject to the usage rate requirements in Section J4 (40 CFR § 35.6320).

b. Borrow federally owned property. The recipient may borrow federally owned property, except for motor vehicles, for use on CERCLA-funded projects. The loan of the federally owned property may only extend through the project period. At the end of the project period, or when the federally owned property is no longer needed for the project, the recipient must return the property to the Federal Government.

c. Lease, use contractor services, or purchase with CERCLA funds. To acquire equipment through lease, use of contractor services, or purchase with CERCLA funds, the recipient must



conduct and document a cost comparison analysis to determine which of these methods of obtaining equipment is the most cost effective. To obtain the equipment, the recipient must submit documentation of the cost comparison analysis to EPA for approval. The recipient must obtain the equipment through the most cost-effective method, subject to the following requirements:

(1) Lease or rent equipment. If it is the most cost-effective method of acquisition, the recipient may lease or rent equipment, subject only to the requirements in L. (40 CFR § 35.6300).

(2) Use contractor services.

(i) If it is the most cost-effective method of acquisition, the recipient may hire the services of a contractor.

(ii) The recipient must obtain award official approval before authorizing the contractor to purchase equipment with CERCLA funds. (See Section J5 regarding the title and vested interest of equipment purchased with CERCLA funds). This does not apply for recipients who have used the sealed bids method of procurement.

(iii) The recipient must require the contractor to allocate the cost of the contractor services by site, activity, and operable unit, as applicable.

(3) Purchase equipment with CERCLA funds. If equipment purchase is the most cost-effective method of obtaining the equipment, the recipient may purchase the equipment with CERCLA funds. To purchase equipment with CERCLA funds, the recipient must comply with the following requirements:

(i) The recipient must include in the Cooperative Agreement application a list of all items of equipment to be purchased with CERCLA funds, with the price of each item.

(ii) If the equipment is to be used on sites, the recipient must allocate the cost of the equipment by site, activity, and operable unit, as applicable, by applying a usage rate subject to the usage

rate requirements (see section J4).

(iii) The recipient may not use CERCLA funds to purchase a transportable or mobile treatment system.

#### 4. Usage rate.

a. Usage rate approval. To charge EPA a fee for use of equipment purchased with recipient funds or to allocate the cost of equipment by site, activity, and operable unit, as applicable, the recipient must apply a usage rate. The recipient must submit documentation of the usage rate computation to EPA. The EPA-approved usage rate must be included in the Cooperative Agreement before the recipient incurs these equipment costs.

b. Usage rate application. The recipient must record the use of the equipment by site, activity, and operable unit, as applicable, and must apply the usage rate to calculate equipment charges by site, activity, and operable unit, as applicable.

5. Title and EPA interest in CERCLA-funded Property and Federally Owned Property

a. EPA's interest in CERCLA-funded property. EPA has an interest (the percentage of EPA's participation in the total award) in both equipment and supplies purchased with CERCLA funds.

b. Title in CERCLA-funded property. Title in both equipment and supplies purchased with CERCLA funds vests in the recipient.

c. Right to transfer title. EPA retains the right to transfer title of all property purchased with CERCLA funds to the Federal Government or a third party within 120 calendar days after project completion or at the time of disposal.

d. Equipment used as all or part of the remedy. The following requirements apply to equipment used as all or part of the remedy:

(1) Fixed in-place equipment. EPA no longer has an interest in fixed in-place equipment once the equipment is installed.

(2) Equipment that is an integral part of services to individuals. EPA no longer has an interest in equipment that is an integral part of services to individuals, such as pipes, lines, or pumps providing hookups for homeowners on an existing water distribution system, once EPA certifies that the remedy is operational and functional.

e. Title to all federally owned property vests in the Federal Government and when is no longer needed, the recipient must inform EPA that the property is available for return. EPA will send disposition instructions.

6. Property Management Standards

The recipient must comply with the following property management standards for property purchased with CERCLA funds. The recipient may use its own property management system if it meets the following standards.

a. Property records for CERCLA-funded property which include the contents specified in Section I.1.b.

b. A control system that ensures adequate safeguards for prevention of loss, damage, or theft of the property. The recipient must make provisions for the thorough investigation and documentation of any loss, damage, or theft.

c. Procedures to ensure maintenance of the property are in good condition and periodic calibration of the instruments used for precision measurements.

d. Sales procedures to ensure the highest possible return, if the recipient is authorized to sell the property

e. Provisions for financial control and accounting in the financial management system of all equipment.

f. Identification of all federally owned property.

7. Disposal of CERCLA funded property and Federally owned property

a. Equipment: For equipment that is no longer needed, or at the end of the project period, whichever is earlier, the recipient must:

(1) Analyze two alternatives: The cost of leaving the equipment in place, and the cost of removing the equipment and disposing of it in another manner.

(2) Document the analysis of the two alternatives in the inventory report. See section E2. regarding requirements for the inventory report. If it is most cost-effective to remove the equipment and dispose of it in another manner. If the equipment has a residual fair market value of \$5,000 or more, the recipient must request disposition instructions from EPA in the inventory report. If the equipment has a residual fair market value of less than \$5,000, the recipient may retain the equipment for the recipient's use on another CERCLA site. If, however, there is any remaining residual value at the time of final disposition, the recipient must reimburse the Hazardous Substance Superfund for EPA's vested interest in the current fair market value of the equipment at the time of disposition. If it is most cost-effective to leave the equipment in place, recommend in the inventory report that the equipment be left in place.

(3) Submit the inventory report to EPA, even if EPA has stopped supporting the project.

(4) The following disposal options are available: (i) Use the equipment on another CERCLA project and reimburse the original project for the fair market value of the equipment; (ii) If both the recipient and EPA concur, keep the equipment and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the equipment; (iii) Sell the equipment and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the equipment, less any reasonable selling expenses; or (iv) Return the equipment to EPA and if applicable, EPA will reimburse the recipient for the recipient's proportionate share in the current fair market value of the equipment.

b. Supplies: If supplies have an aggregate fair market value of \$5,000 or more at the end of the project period, the recipient must take one of the following actions at the direction of EPA:

(1) Use the supplies on another CERCLA project and reimburse the original project for the fair market value of the supplies.

(2) If both the recipient and EPA concur, keep the supplies and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the supplies.

(3) Sell the supplies and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the supplies, less any reasonable selling

expenses.

(4) If the supplies remaining at the end of the project period have an aggregate fair market value of less than \$5,000, the recipient may keep the supplies to use on another CERCLA project. If the recipient cannot use the supplies on another CERCLA project, then the recipient may keep or sell the supplies without reimbursing the Hazardous Substance Superfund.

c. When federally owned property is no longer needed, or at the end of the project, the recipient must inform EPA that the property is available for return to the Federal Government. EPA will send disposition instructions to the recipient.

## 8. Acquisition and Transfer of Real Property

A recipient may acquire an interest in real property only with prior approval of EPA.

a. If the recipient acquires real property in order to conduct the response, the recipient with jurisdiction over the property must agree to hold the necessary property interest.

b. The recipient must comply with applicable Federal regulations for real property acquisition under assistance agreements contained in 40 CFR § 4 "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs."

c. The recipient must comply with the requirements regarding real property described in 2 CFR § 200.311. If EPA determines in the remedy selection process that EPA must acquire an interest in real property in order to conduct a response action, such acquisition may be funded under a Cooperative Agreement. EPA may acquire an interest in real estate for the purpose of conducting a remedial action only if the State provides assurance that it will accept transfer of such interest in accordance with 40 CFR §300.510(f) of the NCP. The State must provide this assurance even if it intends to transfer this interest to a third party, or to allow a political subdivision to accept transfer on behalf of the State. If the political subdivision is accepting the transferred interest in real property, the State must guarantee that it will accept transfer of such interest in the event of default by the political subdivision. If the State or political subdivision disposes of the transferred real property, it shall comply with the requirements for real property in 2 CFR § 200.311.

## K. CERCLA Assurances and Other Requirements

### 1. Operation and Maintenance

The recipient assures that it will assume responsibility for all future operation and maintenance of CERCLA-funded remedial actions for the expected life of each such action as required by CERCLA §104(c) and 40 CFR § 300.510(c)(1) of the NCP. In addition, if a political subdivision is designated as being responsible for operation and maintenance, the State must guarantee that it will assume any or all operation and maintenance activities in the event of default by the political subdivision.

### 2. Waste Capacity

The recipient recognizes EPA's expectation that there will be adequate national hazardous

treatment and disposal capacity during the 20-year period following signature of this cooperative agreement pursuant to CERCLA §104(c)(9). EPA's 2019 National Capacity Assessment shows that there is adequate national capacity for the treatment and disposal of hazardous waste through calendar year 2044. This assessment included data provided by the State for the 2017 National Biennial RCRA Hazardous Waste Report.

3. Out-of-state or out of an Indian tribe waste transfer The state or tribe must provide written notification of off-site shipments of CERCLA waste from a site to an out-of-State or out-of-an-Indian-Tribal-area-of-Indian-country waste management facility to:

- (1) The appropriate State environmental official for the State in which the waste management facility is located; and/or
- (2) An appropriate official of an Indian Tribe in whose area of Indian country the waste management facility is located; and
- (3) The EPA Award Official.

#### 4. Off-site disposal

If off-site storage, destruction, treatment, or disposal is required, the State must assure the availability of a hazardous waste disposal facility that complies subtitle C of the Solid Waste Disposal Act and is acceptable to EPA. The lead agency of the State must provide the notification required at 40 CFR §35.6120, if applicable.

#### 5. Inspection of the Remedy

##### a. Joint State/EPA Pre-Final Inspection

A joint State/EPA pre-final inspection will be conducted at the conclusion of construction of each remedial action addressed by this Cooperative Agreement. This inspection is separate from the construction contract pre-final inspection, although both inspections may be conducted concurrently. The joint State/EPA pre-final inspection will be led by the State Project Manager (SPM) accompanied by the Remedial Project Manager (RPM). The joint State/EPA pre-final inspection generally will consist of a walk-through inspection of the constructed remedial action. This inspection will determine whether each element of work is complete and consistent with the contract documents and the EPA approved remedy. Jointly, the State and EPA will determine if there are any outstanding construction items. An attempt shall be made to determine resolutions for all remaining items. The State will provide an inspection report to the EPA for review and comment. If the State/EPA pre-final inspection results in significant outstanding items, the State may choose to delay the determination that construction of the remedial action is complete until the significant items have been resolved.

##### b. Joint State/EPA Final Inspection

A joint State/EPA final inspection will be conducted to determine that each remedial action addressed under this Cooperative Agreement is functioning properly and performing as designed. The joint State/EPA final inspection will be led by the SPM, accompanied by the

RPM and other parties, where appropriate,

from the State/EPA pre-final inspection. The State/EPA final inspection generally will consist of a walk-through inspection of the constructed remedial action, with the inspection focusing on the items necessary to ensure the remedial action is operating properly and performing as designed. The SPM and the RPM will also confirm that all outstanding items from the State/EPA pre-final inspection have been resolved.

#### 6. Operational and Functional

The completion of the joint State/EPA pre-final inspection marks the point in time when construction of each remedial action is considered complete for purposes of this Cooperative Agreement. It is used to document the beginning of the up to one-year O&F period. Consistent with 40 CFR 300.435(f)(2), the "remedy becomes operational and functional (O&F) either one year after construction is complete, or when the remedy is determined concurrently by EPA and the State to be functioning properly and performing as designed, whichever is earlier." The State will schedule and conduct a joint State/EPA final inspection within one year of the completion of the joint State/EPA pre-final inspection. The completion date of the State/EPA final inspection, assuming it is done within one year of the pre-final inspection, will be used as the date of the O&F determination. In the event that the joint State/EPA inspection and does not occur within one year, the NCP (40 CFR § 300.435(f)) provides EPA the discretion to make an O&F determination without this inspection. As discussed in §300.435(f)(2) of the NCP, "EPA may grant extensions to the one-year O&F period, as appropriate." When the O&F determination has been made, EPA will provide written notification to the State documenting the O&F determination. Since the O&F time period is part of the remedial action, the State cost share is applicable. In accordance with 40 CFR §300.435(f)(1), the O&F determination results in the transfer of each remedial action to the State for O&M or initiation of the long-term response action (LTRA), as described in the Ground and Surface Water Restoration Provision. The State and its contractor will prepare the Remedial Action Report once each remedial action is O&F. EPA will have the opportunity to comment on the Remedial Action Report. After EPA approves the Remedial Action Report, EPA will provide a copy to the State.

#### L. Procurement

1. The recipient shall comply with procurement standards described in 2 CFR §200.317 through 200.327 and 2 CFR § 1500.
2. The recipient must require each prospective contractor to provide with its bid or proposal: Information on its financial and business relationship with all potentially responsible parties (PRPs) at the site and with the contractor's parent companies, subsidiaries, affiliates, subcontractors, or current clients at the site. This disclosure requirement encompasses past financial and business relationships, including services related to any proposed or pending litigation, with such parties.
3. The recipient must require its contractor to comply with the requirements in D. regarding accounting standards, J4. regarding usage rate, J6. regarding property management standards,

and I1-I2. regarding project records and retention.

4. Per 40 CFR § 35.6565, the recipient must obtain the award official's approval to use a procurement method other than the sealed bid method.

5. Use of the same engineer during subsequent phases of response: Per 40 CFR § 35.6570, if the public notice clearly stated the possibility that the firm or individual selected could be awarded a contract for follow-on services and initial procurement complied with the procurement requirements, the recipient of a CERCLA remedial Cooperative Agreement may use the engineer procured to conduct any or all of the follow-on engineering activities without going through the public notice and evaluation procedures. The recipient may also use the same engineer during subsequent phases of the project in the following cases:

a. Where the recipient conducted the remedial investigation (RI), feasibility study (FS), or design activities without EPA assistance but is using CERCLA funds for follow-on activities, the recipient may use the engineer for subsequent work provided the recipient certifies:

(1) That it complied with the procurement requirements in 40 CFR §35.6565 when it selected the engineer and the code of conduct requirements described in 2 CFR 200.318(c)(1).

(2) That any CERCLA-funded contract between the engineer and the recipient meets all of the other provisions as described in the procurement requirements in this subpart.

(3) Where EPA conducted the RI, FS, or design activities but the recipient will assume the responsibility for subsequent phases of remedial action under this Cooperative Agreement, the recipient may use, with the award official's approval, EPA's engineer contractor without further public notice or evaluation provided the recipient follows the rest of the procurement requirements to award the contract.

## **M. Competency Policy**

### **Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable. Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## **N. Substantial Involvement**




EPA will be substantially involved in this agreement. Substantial involvement may include:

1. monthly telephone calls and other monitoring,
2. reviewing project phases and providing approval to continue to the next phase,
3. reviewing and commenting on any documents, web content, or other materials developed under this agreement (the recipient will make final decisions on these matters),
4. approving substantive terms included in contracts or subawards (EPA will not suggest, recommend or direct the recipient to select any particular contractor or subrecipient except to the extent permitted in Section 10 of EPA's Subaward Policy).
5. reviewing and commenting on the programmatic progress reports
6. consultation with EPA regarding the selection of key personnel (EPA's involvement is limited to reviewing the technical qualifications of key personnel and the recipient will make the final decisions on selection. EPA will not suggest, recommend or direct the recipient to select any individual).
7. joint operational involvement, participation, and/or collaboration between EPA and the recipient.

#### **O. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>		GRANT NUMBER (FAIN): 00E03406	DATE OF AWARD
			MODIFICATION NUMBER: 1	08/29/2023
			PROGRAM CODE: V	
			TYPE OF ACTION Augmentation: Increase	MAILING DATE 09/01/2023
PAYMENT METHOD: ASAP			ACH# 50183	
<b>RECIPIENT TYPE:</b> State			<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov	
<b>RECIPIENT:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276 EIN: 01-0572642			<b>PAYEE:</b> Illinois Environmental Protection Agency 1021 North Grand Avenue East, P.O. Box 19276 Springfield, IL 62794-9276	
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>
Brian Conrath 1021 North Grand Ave East P.O. Box 19276 Springfield, IL 62794-9276 Email: Brian.Conrath@illinois.gov Phone: 217-557-8155		Bertanna Lewis 77 West Jackson Blvd., SR-6J Chicago, IL 60604 Email: lewis.bertanna@epa.gov Phone: 312-886-2838		Robert Young Assistance Section, MA-10J 77 West Jackson Blvd. Chicago, IL 60604 Email: young.robert@epa.gov Phone: 312-886-6128
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> SE Rockford Area 11 RD  This agreement funds the recipient's program to conduct remedial design activities at the SE Rockford Area 11 hazardous waste site, which is listed on the National Priorities List (NPL) of the National Oil and Hazardous Substances Contingency Plan.  This Incremental amendment obligates federal funding in the amount of \$550,212 to fully fund this award. These funds will support the continuance of the Illinois Environmental Protection Agency workplan activities in accordance with CERCLA: Secs. 104(d)(1) & 104(c)(3)(C) guidelines.				
<b>BUDGET PERIOD</b> 05/01/2023 - 12/31/2025		<b>PROJECT PERIOD</b> 05/01/2023 - 12/31/2025		<b>TOTAL BUDGET PERIOD COST</b> \$750,212.00
				<b>TOTAL PROJECT PERIOD COST</b> \$750,212.00
<p align="center"><b>NOTICE OF AWARD</b></p> <p>Based on your Application dated 03/16/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$550,212.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$750,212.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>	
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>	
U.S. EPA, Region 5, U.S. EPA Region 5 Mail Code MCG10J 77 West Jackson Blvd. Chicago, IL 60604-3507			U.S. EPA, Region 5, Superfund and Emergency Management Division R5 - Region 5 77 West Jackson Blvd., S-6J Chicago, IL 60604	
<p align="center"><b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b></p>				
Digital signature applied by EPA Award Official William Massie - Manager, Acquisition and Assistance Branch				<b>DATE</b> 08/29/2023

## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$200,000	\$550,212	\$750,212
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$200,000	\$550,212	\$750,212

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.802 - Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	CERCLA: Secs. 104(d)(1) & 104(c)(3)(C)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart O

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$13,642
2. Fringe Benefits	\$11,868
3. Travel	\$1,173
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$712,544
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$739,227
10. Indirect Costs: 0.00 % Base SEE TABLE B	\$10,985
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$750,212
12. Total Approved Assistance Amount	\$750,212
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$550,212
15. Total EPA Amount Awarded To Date	\$750,212

Table B Budget Worksheet #1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1. Direct salaries and wages including applicable divisional fringe benefits at 43.06% valid 7/1/22 to 6/30/23	\$0
2. Direct salaries and wages including applicable divisional fringe benefits at 42.12% valid 7/1/23 to 6/30/24	\$0
3.	\$0
4.	\$0
5.	\$0
6.	\$0
7.	\$0
8.	\$0
9.	\$0
10.	\$0
11. Total (Share: Recip % Fed %)	\$0
12. Total Approved Assistance Amount	\$0

## **Administrative Conditions**

### **THE FOLLOWING ADMINISTRATIVE TERM AND CONDITION HAS BEEN SATISFIED AND IS NO LONGER APPLICABLE**

#### **CONTINGENT FUNDING**

### **THE FOLLOWING TERM AND CONDITION HAS BEEN UPDATED:**

#### **General Terms and Conditions**

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **ALL OTHER ADMINISTRATIVE TERMS AND CONDITIONS REMAIN THE SAME**

#### **National Administrative Terms and Conditions**

**NOTE: All instructions will be in RED. Delete all instructional red text before award.**

**NOTE: All text requiring grant specific information will be in *[BRACKETS and ITALICIZED]*. Fill in any grant specific text before award.**

**NOTE: All T&Cs following the "General Terms and Conditions" must be listed alphabetically.**

**NOTE: The General T&C and T&C A is mandatory. Select the appropriate version of the required terms and conditions below.**

**General Terms and Conditions: Insert one of the two “General Terms and Conditions” below. \*\*Updated 10/01/2022\*\***

## **General Terms and Conditions**

### **Use for All New Awards**

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:

<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **A. Correspondence Condition**

**Edit this condition in accordance with your Grant Management Office’s processes and points of contact.**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and **[Insert GS or local email box (if local copy desired)]**
- MBE/WBE reports (EPA Form 5700-52A): **[Insert name and contact information of the appropriate DBE coordinator and Grants Specialist (optional)/or local email box.]**
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: **[Insert name and contact information of regional point of contact (the GS, PO, and/or local email box)]**
- Payment requests (if applicable): **[Insert name and contact information of the GS and PO/or local email box]**
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: **[Insert name and contact information of the PO]**

**Terms and Conditions B-J are case-specific. Include if applicable.**

### **B. Budget Detail**

**Enter this condition if sufficient budget detail was not provided prior to award.**

Within 30 days of receipt of this agreement, the grantee shall submit to the EPA, additional budget support information to support costs proposed in the application for this agreement. Costs incurred cannot be charged to this agreement until the budget support information is submitted and approved by EPA.

### C. Intergovernmental Review Period

In accordance with 40 CFR Part 29, EPA must allow for an intergovernmental review comment period on this grant program. Accordingly, the Grantee may incur costs at its own risk but shall not draw down any funds associated with this award until the process is completed. This includes successful resolution of any issues identified during the comment period, which ends **[INSERT DATE]**.

### D. Contingent Funding

#### **Insert for incrementally funded agreements**

EPA is funding this agreement incrementally. There is no guarantee of funding beyond the first year. The **Total Approved Assistance Amount** identified on Line 12 of the budget table of this award is contingent upon the availability of appropriated funds, EPA funding priorities, and satisfactory progress in carrying out the activities described in the scope of work. If EPA informs the recipient that the amount on Line 12 will be reduced, the recipient agrees to provide an updated workplan and budget information, as needed, to amend the agreement.

### E. Pre-Award Costs

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **[INSERT START DATE]** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

### F. Special Payment/Reimbursement

**Note: This Reimbursement T&C may be customized to reflect the terms of the reimbursement determination, the degree of risk the recipient poses, and GMO practices. For example, if the 2 CFR 200.206 risk finding indicates that only the recipient's procurement policies, procedures and practices are non-compliant then the 2 CFR 200.208 reimbursement specific condition may limit the cost category subject to reimbursement to procurement.**

As indicated in the determination dated, **[Insert date of 2 CFR 200.208 reimbursement decision]** EPA has decided that **[name of recipient]** will be paid on a reimbursement basis. In accordance with 2 CFR 200.208, EPA hereby imposes the following restrictions on payment of funds under this assistance agreement: Payments (draw-downs) will be made on a reimbursement basis only. All payment requests must be accompanied by supporting documentation clearly showing how much was disbursed, for what reason(s), and to whom.

Each reimbursement request must include adequate documentation for all costs claimed, including copies of authorization documents, vouchers, verification of receipt of equipment, supplies, or services, checks paid, and a written certification that items or services have been received and placed in service. Only those costs so documented and verified will be paid by EPA.

Specific documentation to be included with each reimbursement request is as follows:

1. Personnel Services - (for both EPA-funded and non-EPA funded employees whose services will count towards the recipient's cost share



A. Schedule

- names of employees charging time to this agreement;
- number of hours charged by each employee, multiplied by the employee's hourly rate, giving total amount charged.

B. Acceptable documentation includes time sheets or equivalent records that meet the requirements in 2 CFR 200.430(i) for producing accurate information regarding actual hours an employee worked performing the EPA agreement.

- Records must reflect 100% of actual hours worked daily and the projects, programs or activities worked, not estimated amounts or percentages. They must also reflect non-working hours used during the pay period.
- certification by an appropriate recipient manager that the hours shown as worked in support of the EPA assistance agreements were actually spent on activities approved and eligible under the agreements for which the costs are claimed.

2. Fringe Benefits

- A schedule or report showing the fringe benefit cost calculations per employee, per pay period being claimed for reimbursement and charged to the assistance agreement. Individual items included in fringe benefit rate must be identified.

3. Indirect Costs

- A schedule or report showing the indirect costs calculations and amounts claimed and charged to the assistance agreement, including the applicable rates and cost basis for the periods used in the calculations.

4. Non-working Hours

- A schedule or report showing the non-working hour cost calculations and amounts claimed and charged to the assistance agreement, including the applicable accruals and distribution methodologies for the periods used in the calculations.

5. Travel

- listing of trips taken, trip dates, location, purpose and actual costs incurred;
- copy of signed and dated authorization documents for each trip;
- written certification by employee's supervisor or other authorized official that the trip took place;
- copy of signed and dated travel vouchers showing actual expenditures reimbursed to the employee;
- copy of check or other proof of payment (e.g. documentation of electronic transfers) showing amount paid. No amounts in excess of actual travel expenditures will be reimbursed by EPA.

6. Contracts including contracts with individual consultants

- copy of signed and dated contract agreements unless the agreements were provided to EPA in connection with a previous reimbursement request;

- copy of dated invoices;
- copy of purchase orders and other forms required for the recipient's procurement process;
- financial records documenting the disbursement of payments to the contractor

7. Equipment, Supplies and Other

- listing of expenditures;
- Copy of procurement requests;
- Statement of acceptance of goods/services;
- Certification by the Chief Financial Officer that each item of equipment, supplies and other services were received and put into use by the program for which they were intended;
- copy of vendor invoices;
- copy of documents certifying receipt;
- copy of checks or other appropriate proof of payment;

8. Other Direct Costs

A. Subawards (Refer to EPA's [Subaward Policy](#) for guidance on distinguishing between subawards and procurement contracts).

- Copies of subaward agreements unless previously provided to EPA in connection with a prior reimbursement request.
- Copies of payment requests from subrecipients and documentation the subrecipient provided to support the amount of the payment(s). EPA may request additional documentation if necessary to verify that subaward costs are eligible and allowable.

B. Participant Support Costs.

Note: Participant support costs include payments to individuals who are not recipient employees for training stipends, travel, focus group fees, and similar expenses. For some EPA programs, participant support costs may include rebates or subsidies paid to individuals or businesses to enable them to participate in EPA funded pollution abatement programs.

- Copies of policies and procedures for determining the eligibility and allowability of participant support costs unless previously provided to EPA in connection with a prior reimbursement request.
- Documentation of payments to program participants (including checks or electronic payment records) sufficient to determine the purpose of the payment, the amount, and receipt by the program participant. Cash payments must be accompanied by signed receipts.

C. Equipment and Office Space Leases.

- Copies of procedures for allocating lease payments to EPA assistance agreements unless previously provided in connection with a prior reimbursement request.

- Copies of leases unless previously provided to EPA in connection with a prior reimbursement request.
- Documentation of payments to lessors such as checks and electronic payment records and a calculation of the amount allocable to the EPA agreement.

#### D. Miscellaneous

Note: Examples of miscellaneous expenses include document reproduction at commercial centers, telephone and utility charges (if not included in the indirect cost base), payments to Federal agencies for authorized services, and third party in-kind contributions towards cost share.

- Documentation of payments for other expenses and an explanation of why the expense is necessary to perform the agreement.
- Calculations demonstrating that the costs are appropriately allocated to the EPA assistance agreement.

Electronic copies of the requests and supporting documentation are to be emailed to:

The grant specialist and project officer identified on the award document

As provided at 2 CFR 200.305(b)(3) EPA will pay properly supported payment requests within 30 days of receipt. EPA will not make payment unless the documentation provided fully supports the request for payment as shown on the payment request form unless EPA makes partial payments based on the amount of the request that is properly supported.

Resubmissions must be made to EPA within 30 calendar days of the date the rejected payment request is received by the recipient. If requests are not resubmitted within 30 days, EPA may suspend the assistance agreement as authorized by 2 CFR 200.339(c). The effect of suspension is that costs incurred by the recipient during the period of suspension are not allowable.

#### G. Payment

##### Choose for Reimbursement for TAGs Only

The approved method of payment for this grant is the Reimbursement method. Payment requests are to be submitted on Form SF-270 ("Request for Advance or Reimbursement") on a quarterly basis. Payment requests for costs incurred greater than \$500 may be submitted monthly. The recipient may request payment only for costs which have been properly incurred, are due, payable and are included in the approved budget.

Documentation for amounts requested must be provided with each request for reimbursement, including copies of receipts for purchases made by the recipient, timesheets or equivalent documentation that produces accurate data on the actual time personnel (or volunteers) spend performing the agreement and bills/invoices from the technical advisor, along with a description of services rendered, time spent, and charges. Documentation for any in-kind contributions must include copies of timesheets for paid staff and volunteers, lists of supplies purchased and their cost, documentation of usage of office equipment or other items (if included in the approved budget). In order for any in-kind contributions included for volunteer technical advisors to be allowable as part of the recipient's matching share, the volunteer technical advisor must meet the qualifications for technical advisors that are described in the regulations at 40 CFR 35.4190, and acceptable documentation of these qualifications must be provided to the EPA Grants Office. The recipient understands that cash contributions are not considered as part of the matching share unless they have been expended on documented grant-eligible expenditures.

#### H. Method of Payment

### **Choose for SAAP Grants on reimbursement**

In accordance with EPA regulations, the recipient is authorized to receive advance payments. Payment Requests are to be completed on Standard Form 270, "Request for Advance or Reimbursement" and submitted to the EPA Grants Office. This form can be found at <https://www.epa.gov/grants/epa-grantee-forms>. The requests will report cumulative expenditures both (Federal and Non-Federal) incurred under the grant. EPA will make payments for allowable expenditures at the ratio shown in the latest Agreement.

Under this payment mechanism, the recipient submits an EPA Payment Requests Form to EPA for approval. EPA will pay the recipient for 55% of the costs shown on the payment request (i.e., the Federal share). Therefore, each payment request must include the recipient's share. Documentation for amounts requested must be provided with each request for reimbursement, including copies of bills (vouchers, invoices, etc.), along with a description of services rendered, time spent, and charges. Approved funds are credited to the recipient organization at its designated financial institution.

### **I. Tribal Council Costs**

With regard to payments to members of the Tribal Council, 2 CFR 200.444, provides that general costs of government are unallowable, and subparagraph (a)(2) specifically includes in this prohibition salaries and expenses of tribal councils whether incurred for purposes of legislation or executive direction.

At the same time, however, the guidance includes other provisions which may or may not allow payment of grant funds to Council members:

(a) 2 CFR 200.422 Advisory Councils – Costs incurred by advisory councils or committees are unallowable unless authorized by statute or the awarding agency.

(b) 2 CFR 200.459 Professional Service Costs – Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit, are allowable.

(c) 2 CFR 200.432 Conferences – Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the awarding agency.

(d) 2 CFR 200.444(b) General Costs of Government – For federally recognized Indian tribal governments, the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff is allowable.

Any costs pertaining to the Tribal Council must be in accordance with 2 CFR Part 200, Subpart E and the terms of this award. The recipient should refer to the entire paragraphs cited above and 2 CFR Part 200 in its entirety, 2 CFR Part 1500 and 40 CFR Part 35, as applicable, for additional requirements because the passages above are excerpts only, and other provisions could affect the allowability of costs. In accordance with 2 CFR 200.403, costs charged to the grant must be adequately documented. The recipient agrees to keep documentation as to how any Tribal Council costs charged to this grant fit with the above mentioned paragraphs and how the costs relate to the work plan components.

### **J. Reduced Match Requirement**

In accordance with 40 CFR Part 35, Subpart B Tribal grants match requirements, the Approval Official has increased the maximum Federal share as requested in the application dated **[Enter Date]**. The Award Official approved the hardship

letter dated **[Enter Date]**. The recipient and federal shares are reflected in the approved budget.

#### **K. Pre-Award Administrative Capability (Added 5/19/2023)**

**Insert for assistance agreements over \$200,000 to non-profit organizations whose Administrative Capability Assessment review has not been completed prior to award.**

**[Insert recipient name]'s** pre-award certification review was initiated, but is not completed. EPA's policy for awarding financial assistance in excess of \$200,000 to non-profit organizations requires an Administrative Capability Assessment review of the recipient's administrative and financial management systems to be completed **prior** to the recipient drawing down any EPA funds per [EPA Order 5700.8](#). Because EPA has not yet completed the review, **[insert recipient name]** is precluded from drawing down funds under this assistance agreement until EPA provides written confirmation of the completion of the assessment with satisfactory results. Please note, any costs incurred prior to EPA approval are at **[insert recipient name]'s** own risk. If **[insert recipient name]** fails to respond or is unable to satisfactorily address all identified deficiencies within 90 days of the award date of this assistance agreement or within any extension of time granted by EPA, the agreement may be terminated. Noncompliance with this term and condition may result in adverse action by EPA per 2 CFR 200.339.

#### **L. Prior Approval of Payments for EPA Community Grants (Updated 6/13/23)**

Payment Requests are to be completed on Standard Form 270, "Request for Advance or Reimbursement" and submitted to the EPA Grants Office with a copy to the EPA Project Officer. This form and instructions for completing it can be found at <https://www.epa.gov/grants/epa-grantee-forms>. The requests will report cumulative expenditures both (federal and non-federal) incurred under the grant. EPA will approve payments for allowable expenditures at the ratio shown in the latest Agreement.

Under this payment mechanism, the recipient submits for EPA approval the Standard Form 270 along with supporting cost documentation via email to **[Enter central email box if applicable]**, the EPA Project Officer and the EPA Grants Management Specialist listed on this award document. Attachments must be submitted in pdf or other acceptable software format (e.g., DocuSign) and the Standard Form 270 must be electronically or digitally signed by your organization's authorized representative or their designee in accordance with EPA's Recipient/Applicant Information Notice (RAIN), [Establishment of Standards for Submission of Administrative and Financial Assistance Agreement Forms/Documents with Electronic or Digital Signatures by Email](#). Documentation to support costs claimed for reimbursement include copies of bills (vouchers, invoices, etc.), along with a description of services rendered, time spent, and charges. The table below provides examples of acceptable documentation. Also, as a reminder, please refer to the Grant-Specific Programmatic Terms and Conditions of this award for additional information regarding procurement documentation submission requirements.

After review and written notification of EPA's approval, the recipient will request funds via the U.S. Treasury's Automated Standard Application for Payment (ASAP) system for **[Insert federal share as shown on line 11 of the award budget]**% of the total allowable expenditures shown on the Standard Form 270 (i.e., the Federal share) for the period covered by the request. EPA may pay 100% of the allowable expenditures reported for the period of the request for grants for which the cost share requirement has been waived by EPA. Payment for costs approved by EPA and authorized for drawdown by the recipient via the ASAP System will be credited to the recipient's designated financial institution (See Financial Information in the [EPA General Terms and Conditions](#) applicable to this award). Any questioned or disallowed costs will be detailed in writing by EPA's Grants Management Officer.

## SUPPORTING DOCUMENTATION BY BUDGET CATEGORY

### BUDGET CATEGORY

### ACCEPTABLE DOCUMENTATION

**1. PERSONNEL** (for both EPA-funded and non-EPA funded employees whose services will count towards the recipient's cost share) Records must:

- meet the requirements in [2 CFR 200.430\(i\)](#) for producing accurate information regarding actual hours an employee worked performing the EPA agreement.
- reflect 100% of actual hours worked daily and the projects, programs or activities worked, not estimated amounts or percentages. They must also reflect non-working hours used during the pay period.
- be certified by an appropriate recipient manager indicating that the hours shown as worked in support of the EPA assistance agreement were actually spent on activities approved and eligible under the agreement for which the costs are claimed
- contain names of employees charging time to the agreement, with explicit indication of number of hours charged, the hourly rate, and the total amount thereof charged.

#### 1a. Working Hours

- Copies of time sheets or equivalent records

**1b. Non-Working Hours** (e.g., sick leave, annual leave, holiday pay, etc.) being charged to the agreement if not covered by a leave rate or included in fringe benefits.

- A schedule or report showing the non-working hour cost calculations and amounts claimed, including the applicable accruals and distribution methodologies for the periods used in the calculations.

**2. FRINGE BENEFITS** – if applicable, approved fringe rate or actual costs per employee.

- A schedule or report showing the fringe benefit cost calculations per employee, per pay period being claimed for payment and charged to the assistance agreement. Individual items included in approved fringe benefit rates must be identified.

**3. INDIRECT COSTS** – either an approved indirect cost rate agreement covering the period for the indirect costs being claimed, or otherwise approved to use the 10% de minimis rate. See the [General Terms and Conditions](#) for additional information.

- A schedule or report showing the indirect costs calculations and amounts claimed and charged to the assistance agreement, including the applicable rates and cost basis for the periods used in the calculations.

#### 4. TRAVEL

**Note:** First class/business class travel costs are not allowable.

- listing of trips taken, trip dates, location, purpose, and actual costs incurred.
- copy of signed and dated authorization documents for each trip.
- written certification by employee's supervisor or other authorized official that the trip took place.
- copy of signed and dated travel vouchers showing actual expenditures

**5. EQUIPMENT** – records must show equipment items, quantity, unit cost, and total amount consistent with the PO and RFP.

- copy of procurement requests
- copy of vendor invoices

**6. SUPPLIES**

- quotes or bid announcements as required
- invoices showing supply items, quantity, unit cost, and total amount consistent with the Purchase Order.
- copy of procurement requests
- copy of vendor invoices
- quotes or bid announcements as required

**7. CONTRACTUAL**

The contract agreement must include all applicable clauses stipulated at [2 CFR Part 200.327 and Appendix II](#). **NOTE: per the grant-specific programmatic Terms and Conditions of the award, all contracts should have already been reviewed and approved by the project officer.**

- documents showing quotes or bid announcements as required.
- evidence of the selection decision and a cost and price analysis
- copy of contractor invoices

Contracts for Architectural and Engineering services are included in this category.

The costs for consultant compensation that are charged to the EPA assistance agreement (including cost shares) must not exceed the consultant cap (Level IV of the Executive Schedule) as described at [2 CFR 1500.10](#)

**8. CONSTRUCTION**

This category includes contracts for general construction and other contractor costs for activities described in EPA's Small and Disadvantaged Business (DBE) rule at [40 CFR 33.103](#).

- documents showing quotes or bid announcements as applicable.
- evidence of the selection decision and a cost and price analysis
- copy of contractor and vendor invoices

**9. OTHER**

If subaward costs are being claimed, a copy of the executed subaward agreement must be provided. The subaward agreement must comply with the requirements of the subaward term and condition of the EPA award and 2 CFR [200.331](#) and [200.332](#).

- invoices showing items, quantity, unit cost, and total amount. As applicable ensure there are:
- copies of procurement requests
- copy of vendor invoices
- quotes or bid announcements as required
- documentation of participant support cost payments approved in the budget
- cost Calculations/Allocations of shared costs like rent, utilities, etc.

**Programmatic Conditions**

**ALL PROGRAMMATIC TERMS AND CONDITIONS REMAIN THE SAME**



# **EXHIBIT G**

**From:** [Lewis, Bertanna](#)  
**To:** [Lake, Paul](#); [Hill, Christopher](#)  
**Cc:** [Paller, Max](#)  
**Subject:** [External] SE Rockford Drawdowns  
**Date:** Thursday, January 30, 2025 1:01:15 PM  
**Importance:** High

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Good afternoon Chris and Paul,

As you know, there has been a pause in funding actions related to the Infrastructure Investment and Jobs Act (IIJA). With that being said, there should be no drawdowns from the following CAs.

Southeast Rockford Area 7 LTRA V-00E02954

Southeast Rockford Area 11 V-00E01229

I will keep you posted when we know more.

Thank you!

Bertanna M. Lewis  
State Project Officer – Illinois  
Superfund & Emergency Management Division  
U.S. EPA Region 5  
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